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## **THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in CROSSTEC Group Holdings Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “12. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your 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. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

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# **CROSSTEC Group Holdings Limited** **易緯集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 3893)**

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

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The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional documents, the Companies Act, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Monday, 17 July 2023). None of the conditions to the Rights Issue can be waived. 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.

The Shares have been dealt in on ex-rights basis from Tuesday, 20 June 2023. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 4 July 2023 to Tuesday, 11 July 2023 (both days inclusive). Any dealings in the Shares up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected timetable</b> .....	4
<b>Letter from the Board</b> .....	6
<b>Appendix I – Financial information of the Group</b> .....	I-1
<b>Appendix II – Unaudited pro forma financial information of the Group</b> .....	II-1
<b>Appendix III – General information</b> .....	III-1

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 17 May 2023 in relation to the Rights Issue
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act (as revised) of the Cayman Islands
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	CROSSTEC Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, considers it necessary or expedient to exclude such Shareholders from the Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Last Trading Day”	16 May 2023, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	23 June 2023, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Friday, 14 July 2023 (or such later time or date as may be determined by the Company), being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong (if any)
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in such form as the Company may approve
“Posting Date”	Friday, 30 June 2023 or such other date as the Company may determine for the despatch of the Prospectus Documents to Qualifying Shareholders
“PRC”	the People’s Republic of China
“Prospectus”	this prospectus
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date

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## DEFINITIONS

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“Record Date”	Thursday, 29 June 2023, the date by reference to which entitlements under the Rights Issue were determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the issue by way of rights on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 43,200,000 new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.40 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“%”	per cent

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## EXPECTED TIMETABLE

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*All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out below and all dates and deadlines specified in this Prospectus are indicative only and may be amended by the Company. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.*

<b>Event</b>	<b>Date</b>
First day of dealing in nil-paid Rights Shares .....	Tuesday, 4 July 2023
Latest time for splitting nil-paid Rights Shares .....	4:30 p.m. on Thursday, 6 July 2023
Last day of dealing in nil-paid Rights Shares .....	Tuesday, 11 July 2023
Latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares .....	4:00 p.m. on Friday 14 July 2023
Latest time for the Rights Issue to become unconditional .....	4:30 p.m. on Monday, 17 July 2023
Announcement of the allotment results of the Rights Issue .....	Friday, 21 July 2023
Despatch of refund cheques for wholly or partially unsuccessful excess applications .....	Monday, 24 July 2023
Despatch of share certificates of fully-paid Rights Shares .....	Monday, 24 July 2023
Dealings in fully-paid Rights Shares commence .....	Tuesday, 25 July 2023

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## EXPECTED TIMETABLE

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

The latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal number 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, 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 the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcement of any change to the expected timetable as soon as practicable in such event.

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LETTER FROM THE BOARD

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**CROSSTEC Group Holdings Limited**  
**易緯集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 3893)**

*Executive Directors:*

Mr. Hu Xiongjie (*Chairman*)

Mr. Lam Wing Hung

*(Chief Executive Officer, Finance Director and  
Joint Company Secretary)*

Mr. Liang Shifeng (*Finance Director*)

*Non-executive Director:*

Mr. Tsang Ho Yin

*Independent Non-executive Directors:*

Mr. So Chi Hang

Mr. Heng Ching Kuen Franklin

Ms. Lee Kwai Sheung

Ms. Wang Qin

*Registered office:*

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

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

9th Floor,

Olympia Plaza,

255 King's Road,

North Point,

Hong Kong

30 June 2023

*To the Qualifying Shareholders and,  
for information purposes only, the Excluded Shareholders*

Dear Sirs,

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

**INTRODUCTION**

Reference is made to the Announcement whereby the Board announced that the Company proposed to implement the Rights Issue, on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.40 per Rights Share, to raise up to approximately HK\$17.28 million (before deducting the professional fees and other related expenses) by issuing up to 43,200,000 Rights Shares to the Qualifying Shareholders. The Rights Issue is not underwritten and will not be extended to the Excluded Shareholders.



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## LETTER FROM THE BOARD

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

### RIGHTS ISSUE

#### Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.40 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.3769 per Rights Share (assuming all the Rights Shares are taken up)
Number of existing Shares in issue as at the Latest Practicable Date	:	86,400,000 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 43,200,000 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$17,280,000
Total number of Shares in issue as enlarged by the allotment and issue of the Rights Shares (assuming that the Rights Issue is fully subscribed)	:	Up to 129,600,000 Shares
Maximum funds to be raised (before expenses)	:	Up to approximately HK\$17.28 million (assuming all the Rights Shares are taken up)
Net proceeds of the Rights Issue	:	Up to approximately HK\$16.28 million
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional entitlements

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## LETTER FROM THE BOARD

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

The 43,200,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) approximately 50.00% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

### **Subscription Price**

The Subscription Price of HK\$0.40 per Rights Share is payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 18.37% to the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 9.09% to the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 8.05% to the average of the closing prices of approximately HK\$0.435 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 6.26% to the theoretical ex-rights price of approximately HK\$0.4267 per Share based on the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares; and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 3.02% to the theoretical diluted price of approximately HK\$0.4267 per Share based on the benchmarked price of approximately HK\$0.44 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.44 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.425 per Share).

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## LETTER FROM THE BOARD

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The reference of Subscription Price to the consolidated net asset value per Share is not applicable as the Company is currently at net liabilities position. The Subscription Price was determined with reference to, among other things, (i) the par value of HK\$0.40 of each Share; (ii) the market price of the Shares for the seven (7) Business Days before the Last Trading Day (the “**Reference Period**”); (iii) the latest business performance and financial position; and (iv) the recent trading performance of the Shares. During the Reference Period, the closing price of the Shares was in the range of HK\$0.395 and HK\$0.435, which was in general in line with the par value of HK\$0.40 of each Share. As disclosed in the Company’s annual report for the year ended 30 June 2022, the Group incurred a net loss of approximately HK\$21.9 million for the year ended 30 June 2022. Having considered the above and the fact that the Rights Issue will proceed on a non-underwritten basis, the Directors consider a subscription price equivalent to the par value of HK\$0.40 of each Share and represent a discount to the highest price in the Reference Period is a fair and reasonable price for the Rights Issue which could encourage the existing Shareholders to participate in the Rights Issue without a significant dilution effect on the existing Shares.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and apply for excess Rights Shares subject to the level of acceptance; and (iii) the Subscription Price was determined with reference to the prevailing market prices and the financial position of the Group.

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares in issue and held by the Qualifying Shareholders 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 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. Any holding (or balance of holdings) of less than two (2) Shares will not entitle the holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed “Fractional entitlements of the Rights Shares” below.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not being an Excluded Shareholder as at the close of business on the Record Date.

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## LETTER FROM THE BOARD

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The last day of dealing in the Shares on cum-rights basis is Monday, 19 June 2023. The Shares will be dealt with on an ex-rights basis from Tuesday, 20 June 2023. Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

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

### **Excluded Shareholder(s) (if any)**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

According to the register of members of the Company as at the close of business on the Record Date, there were no Overseas Shareholders with registered addresses located outside Hong Kong. The Company notes the requirements specified in the notes to Rule 13.36(2)(a) of the Listing Rules, the Company will continue to ascertain whether there are any Overseas Shareholders and will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient to exclude any Shareholder from the Rights Issue on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s) after taking into consideration of the legal opinions provided by the legal advisers to the Company, the Rights Issue will not be extended to such Overseas Shareholder(s) (if any).

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## LETTER FROM THE BOARD

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Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the relevant Excluded Shareholders pro rata (but rounded down to the nearest dollar) to their shareholdings held on the Record Date in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold entitlement of Excluded Shareholder(s) to the Rights Shares, any Rights Shares created from the aggregation of fractions of the Rights Shares which cannot be sold and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares, will be made available for excess applications by Qualifying Shareholders under the EAF(s).

### **Procedures for acceptance and payment and/or transfer**

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 the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Friday, 14 July 2023. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "Tricor Investor Services Limited – A/C No. 055" and 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 by no later than 4:00 p.m. on Friday, 14 July 2023, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Thursday, 6 July 2023 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar 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.

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## LETTER FROM THE BOARD

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All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or a cashier's order in payment for the Rights Shares applied for will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. No actions have been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no persons receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone (including, without limitation, a nominee, agent and trustee) receiving the Prospectus Documents outside Hong Kong wishing to make on their behalf an application for the Rights Shares to satisfy themselves as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents and observing other formalities, and to pay any taxes and duties and other amounts required to be paid in such jurisdiction in connection therewith. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly 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 or subscription for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. If you are in any doubt as to your position, you should consult a professional adviser. The Company will send the Prospectus only (without the PAL and the EAF) and a letter explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue to the Excluded Shareholders for their information only. No applications for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

No receipts will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled at or before 4:30 p.m. on Monday, 17 July 2023 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for the Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 24 July 2023.

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## LETTER FROM THE BOARD

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### **Fractional entitlements of the Rights Shares**

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders and the Company will not accept applications for any fractions of Rights Shares. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares and sold by the Company in the open market if a premium (net of expenses) can be obtained, and the Company will keep the net proceeds for its own benefit. Any Rights Shares created from the aggregation of fractions of the Rights Shares which cannot be sold will be made available for excess application by the Qualifying Shareholders as described in the paragraph headed “Application for excess Rights Shares” below. No odd-lot matching services will be provided.

### **Application for excess Rights Shares**

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

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

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

Applications for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable for the excess Rights Shares being applied for. Pursuant to Rule 7.21(3)(a) of the Listing Rules, the Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of excess Rights Shares applied for under each application;
- (ii) no references will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) no preferences will be given to applications for topping up odd-lot holdings to whole lot holdings.

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

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## LETTER FROM THE BOARD

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

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, investors should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar on or before 4:00 p.m. on Friday, 14 July 2023. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "Tricor Investor Services Limited – A/C No. 056" and crossed "Account Payee Only".

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post to their registered address and at their own risk by the Registrar on or before Monday, 24 July 2023.

If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies is also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to their registered address at their own risk by the Registrar on or before Monday, 24 July 2023.

All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable.



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## LETTER FROM THE BOARD

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The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly 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 excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. If you are in any doubt as to your position, you should consult a professional adviser.

No receipts will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled at or before 4:30 p.m. on Monday, 17 July 2023 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 24 July 2023.

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

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

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risk, on or before Monday, 24 July 2023.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 24 July 2023 by ordinary post to the applicants' registered addresses, at their own risk.

### **Application for listing of the Rights Shares**

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

The board lot size of the nil-paid Rights Shares will be the same as that of the fully-paid Rights Shares, i.e. 4,000 Shares in one board lot.

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## LETTER FROM THE BOARD

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

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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

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

### **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 Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

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

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

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on the Posting Date;

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## LETTER FROM THE BOARD

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- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal, in the Shares as well as the Rights Shares in nil-paid and fully-paid forms by no later than the Business Day prior to the first day of their dealings; and
- (d) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused.

All conditions set out above cannot be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution in dealing in the securities of the Company. As at the Latest Practicable Date, none of the above conditions has been fulfilled.

### **Non-underwritten basis**

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and the level of subscription of the excess Rights Shares. There is no minimum subscription level and no minimum amount is required to be raised under the Rights Issue. The Company has taken advice from the legal advisers of the Company and noted that there are no statutory requirements under the laws of the Cayman Islands and the laws of Hong Kong regarding minimum subscription levels in respect of the Rights Issue.

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

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Group is principally engaged in the trading of millwork, furniture and facade fabrication and provision of interior design, project consultancy, maintenance and interior solutions services.

As at 31 December 2022, the Group's borrowings amounted to HK\$76 million, amongst which, HK\$26 million would be due in December 2023 and the remaining HK\$20 million and HK\$30 million would be due in October and November 2024, respectively, and such borrowings remained outstanding as at the Latest Practicable Date. As at 31 May 2023, the unaudited cash level of the Group amounted to approximately HK\$32.1 million. It is anticipated that such cash level of the Group would not be sufficient to support the on-going operating expenses of approximately HK\$2 million per month (which comprised staff salaries, office rental expenses etc.) and any suitable investment opportunities of the Group as necessary and appropriate after the repayment of outstanding principal of HK\$26 million in December 2023. In view of the above, the Group has an imminent need to raise additional funding under the Rights Issue. It is intended that the entire net proceeds from the Rights Issue will be used to repay part of the outstanding indebtedness due December 2023 and the remaining of that will be paid by internal cash resources of the Group.

As at the Latest Practicable Date, the Group was in the course of conducting due diligence in relation to a possible acquisition of a residential property located in Thailand at the estimated consideration of approximately HK\$8 to 9 million (inclusive of related expenses). It is expected that the consideration will be funded by internal cash resources of the Group. The residential property is intended to be used as show flats to show case the Group's interior design works and also a place for the Group's staff to stay if needed. The Group plans to explore other potential markets in the Asia-Pacific region because the Directors believe there is huge market potential in Southeast Asia, which is one of the fastest-growing economic regions in the world. As the Group is still in negotiations with the potential vendor and no formal agreement has been entered into as at the Latest Practicable Date, such acquisition may or may not proceed. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

Assuming that the Rights Issue is fully subscribed and in the absence of unforeseen circumstances, the Company would have sufficient cash to settle the outstanding borrowings which is due December 2023. 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 part of the outstanding indebtedness due December 2023. In the event of under-subscription of the Rights Issue and the Group does not have enough internal cash resources to repay the remaining indebtedness, the Company will explore alternate fund-raising activities to meet the expected funding needs for the next 12 months.

The Board had considered various means of fund raising, such as debt financing/bank borrowings and placing of new Shares, before resolving to the Rights Issue. The Company has considered the pros and cons of different fund-raising options. In respect of debt financing, the Board considers that further debt financing would result in additional interest burden of the Group which is not beneficial to the Group. Placing of new Shares is not adopted as it does not allow the Qualifying Shareholders the right to participate in the fund-raising exercise and their respective shareholdings in the Company would be diluted without being offered an opportunity to maintain their proportionate interests in the Company. In comparison, the Rights Issue is pre-emptive in nature, allowing Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. The Rights Issue allows the Qualifying Shareholders to (i) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (ii) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for business development. As open offer does not allow the trading of rights entitlements, rights issue is preferred.

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## LETTER FROM THE BOARD

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As the Rights Issue will be on a non-underwritten basis, the actual amount of the net proceeds of the Rights Issue cannot be ascertained at this moment. There are no minimum amounts of proceeds that the Company intends to raise. In the event that the net proceeds from the Rights Issue is less than the intended amount, the Company may finance such shortfall for repayment of borrowings by internal resources, working capital and/or other means of financing as and when appropriate. As at the Latest Practicable Date, the Company had no concrete plans to conduct further fundraising activities. Based on the above, the Board considers that raising capital through the Rights Issue is in the interest of the Company and the Shareholders as a whole.

### USE OF PROCEEDS

The estimated net proceeds of the Rights Issue will be up to approximately HK\$16.28 million. The Company intends to utilize the entire net proceeds from the Rights Issue to repay part of its borrowings.

The Directors consider that it is appropriate to propose the Rights Issue as a means of fund raising for repayment of loans and the terms of the Rights Issue, including the Subscription Price, are fair and reasonable based on the current market conditions.

### CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue (assuming all Shareholders have taken up their entitled Rights Shares); and (iii) immediately after completion of the Rights Issue (assuming none of the Shareholders, other than the Shareholders who have given irrevocable undertakings to fully take up their entitlements under the PALs in respect of the Shares beneficially owned by them, has taken up any entitled Rights Share), for illustrative purposes only.

	As at the date of the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up their entitled Rights Shares)		Immediately after completion of the Rights Issue (assuming none of the Shareholders has taken up any entitled Rights Share)	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Public Shareholders	86,400,000	100.00	129,600,000	100.00	86,400,000	100.00
Total	<u>86,400,000</u>	<u>100.00</u>	<u>129,600,000</u>	<u>100.00</u>	<u>86,400,000</u>	<u>100.00</u>

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## LETTER FROM THE BOARD

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### FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

Set out below is the fundraising activities conducted by the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practical Date
14 December 2022 and 12 January 2023	Placing of 14,400,000 shares under general mandate	HK\$5.7 million	General working capital of the Group	Fully utilized as intended.

Save as the abovementioned, the Company had not conducted any other fundraising exercise in the past twelve months immediately preceding the Latest Practicable Date.

### LISTING RULES IMPLICATIONS

As the Rights Issue will not increase the total number of the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date, and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to minority Shareholders' approval pursuant to Rule 7.19A of the Listing Rules.

The Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The theoretical diluted price, the benchmarked price and theoretical dilution effect for the Rights Issue are approximately HK\$0.4267 per Share, HK\$0.44 per Share and 3.02% respectively. The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the Rights Issue is in compliance with the theoretical dilution effect limit under Rule 7.27B of the Listing Rules.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. None of the conditions to the Rights Issue can be waived. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

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## LETTER FROM THE BOARD

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The Shares have been dealt in on ex-rights basis from Tuesday, 20 June 2023. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 4 July 2023 to Tuesday, 11 July 2023 (both days inclusive). Any dealings in the Shares up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

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

### **ADDITIONAL INFORMATION**

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

Yours faithfully,  
On behalf of the Board  
**CROSSTEC Group Holdings Limited**  
**Hu Xiongjie**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for the three years ended 30 June 2020, 2021 and 2022 and the six months ended 31 December 2022 are disclosed in the annual reports of the Company for the years ended 30 June 2020, 2021 and 2022 and the interim report of the Company for the six months ended 31 December 2022. The said annual reports and interim report of the Company are published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<https://www.crosstec.com.hk/>):

- annual report of the Company for the year ended 30 June 2020 from pages 91 to 172 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1015/2020101500358.pdf>);
- annual report of the Company for the year ended 30 June 2021 from pages 104 to 187 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1027/2021102700458.pdf>);
- annual report of the Company for the year ended 30 June 2022 from pages 103 to 182 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1027/2022102700299.pdf>); and
- interim report of the Company for the six months ended 31 December 2022 from pages 18 to 36 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0330/2023033000769.pdf>).

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 31 May 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding indebtedness of approximately HK\$77 million, comprising unsecured and unguaranteed borrowings of HK\$71 million and lease liabilities of HK\$6 million.

**Borrowings**

As at 31 May 2023, the Group had unsecured and unguaranteed borrowings of approximately HK\$71 million. The borrowings were interest bearing at a fixed rate of 2% per annum. The amortised cost of the borrowings was determined with the effective interest rates of 6% to 7.78%. The aggregate original principal amount of the unsecured and unguaranteed borrowings is HK\$76 million.



**Lease liabilities**

As at 31 May 2023, the Group had unsecured and unguaranteed lease liabilities of approximately HK\$6 million.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding, or authorised or otherwise created but unissued, loans or any term loans (secured, unsecured, guaranteed or otherwise), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and any liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments (guaranteed, unguaranteed, secured or otherwise), mortgages, charges, other material contingent liabilities or guarantees, as at 31 May 2023.

**3. WORKING CAPITAL**

The Directors, after due and careful considerations and after taking into account (i) the present internal financial resources available to the Group; (ii) the successful drawdown of credit facilities presently available to the Group; (iii) the expected cash flows to be generated from the Group's operating activities; and (iv) the estimated maximum net proceeds from the Rights Issue assuming the Rights Issue is fully subscribed, are of the opinion that in the absence of unforeseeable circumstances, the working capital available to the Group is sufficient for its requirements for at least 12 months from the date of this Prospectus. In the event of under-subscription of the Rights Issue and the Group does not have enough internal cash resources to repay the outstanding indebtedness, the Company will explore alternate fund-raising activities to meet the expected funding needs for the next 12 months.

The Board has also received the relevant letter 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 Group since 30 June 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## 5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the provision of bespoke and total interior design solutions to retail stores of global luxury jewellery and fashion brands as well as non-retail projects of show flats, residential units, club houses and luxury hotels, which covers a wide range of services including millwork and furniture provision, facade development and fabrication, interior solutions and design, maintenance and project consultancy.

As disclosed in the interim report for the six months ended 31 December 2022 of the Company, the Group generated revenue principally from providing four major categories of sales and services, including: (i) sales of millwork, furniture and facade fabrication, (ii) interior solutions services, (iii) design and project consultancy services and (iv) maintenance services. The revenue of the Group increased by approximately 60.5% from approximately HK\$23.8 million for the six months ended 31 December 2021 to approximately HK\$38.2 million for the six months ended 31 December 2022. The increase in revenue was mainly due to the gradual economic recovery from the COVID-19 pandemic upon the increase in cross-broader activities. In particular, the Group's business in the PRC recorded a 153% increase (for the six months ended 31 December 2022: approximately HK\$22.2 million; for the six months ended 31 December 2021: approximately HK\$8.8 million).

However, the gross profit margin decreased from approximately 26.8% for the six months ended 31 December 2021 to approximately 15.0% for the six months ended 31 December 2022. The decrease in gross profit was mainly due to 1.) the increase in project cost of certain large interior solutions projects as a result of the unexpected delay of the relevant projects due to the lock down of the related cities under the COVID-19 pandemic, and 2.) the gradual change of revenue mix that a higher proportion of interior solutions projects over the total revenue was noted as compared to the six months ended 31 December 2021 (for the six months ended 31 December 2022: approximately 75%; for the six months ended 31 December 2021: approximately 70%) since certain large interior solutions projects with luxury watch and jewellery brand were awarded during the six months ended 31 December 2022 by which the interior solutions business is comparatively more competitive in the market. However, the Group's long-term strategy is still focusing on increasing its market share and improving the profitability of the Company's projects by continuous strengthening of the projects cost control, just as the Company has been striving for in the prior years.

Accordingly, the increase in consolidated net loss of the Group (for the six months ended 31 December 2022: approximately HK\$10.9 million; for the six months ended 31 December 2021: approximately HK\$8.2 million) was mainly due to 1.) decrease in gross profit (for the six months ended 31 December 2022: approximately HK\$5.7 million; for the six months ended 31 December 2021: approximately HK\$6.4 million); 2) increase in finance cost (for the six months ended 31 December 2022: approximately HK\$1.3 million; for the six months ended 31 December 2021: approximately HK\$0.4 million) and 3.) increase in employee benefit expenses (for the six months ended 31 December 2022: approximately HK\$10.3 million; for the six months ended 31 December 2021: approximately HK\$9.5 million).

In response to the above and to recover from the COVID-19 pandemic over the past few years, the Group will continue to actively participate in project tenders and put huge effort in broadening the income sources from different industries and sectors.

During the six months ended 31 December 2022, the Company had been exploring the business opportunities in relation to the interior solutions as well as design and project consultancy projects in the sectors of academic institutions and governmental administrative authorities. The market of the said sectors are very large in terms of the scale and quantity and the Company will seize the opportunity to be competitive in this high potential market.

Also, the Company will keep focusing on developing its competitiveness in the event market in relation to the interior solution project consultancy business. Upon the gradual recovery from the COVID-19 pandemic, it is believed that numerous international events or exhibitions in different sectors such as art, sports and music will resume or restart, especially in Hong Kong. The demand of its interior solution project consultancy business is therefore expected to increase significantly in the coming years. Stemming from the event management experience gained in the prior years, the Company is confident that it is a competent contender in such market.

### **Prospects**

During the six months ended 31 December 2022, significant increase in revenue of HK\$14.4 million (for the six months ended 31 December 2022: approximately HK\$38.2 million; for the six months ended 31 December 2021: approximately HK\$23.8 million) had been recorded as a result of the significant increase of cross-border activities between different regions upon the global trend of striving to enable the citizens to resume the normal daily lives and to balance the social and economic needs which stimulates the global economic recovery.

To seize the opportunity to recover quickly, the Group will put much more effort and resources to upkeep its competitiveness through actively soliciting business all over the world, especially in the PRC and overseas markets upon the significant increase in cross-border activities recently. As mentioned above, the management will continue to monitor the development of the COVID-19 pandemic and its impact on the operations and results of the Group, if any. The Company will also keep the Shareholders updated and informed by way of announcement(s) as and when appropriate.

Regarding the core business, several awarded large projects in relation to the provision of millworks and interior solutions services to the flagship stores of luxury brands all over the world are still in progress. Based on the high qualities of products and services provided by the Group, long-term business relationship has been built up with these great customers and the management is confident that more similar large projects are coming in the near future upon the recovery from the COVID-19 pandemic.

Also, with the good reputation and rich experience in cooperating with the property developers in recent years, certain large projects in relation to the provision of millworks and interior solutions services to international landmark in Hong Kong have been awarded from the sizeable and recognized local property developers in Hong Kong. It is the Company's great honour to take part in such international projects, which also proved its global presence and high quality of services.

In addition to the well-established sectors as mentioned above, the Company has been exploring the business opportunities in relation to the interior solutions as well as design and project consultancy projects in the sectors of academic institutions and governmental administrative authorities. The market of the said sectors are very large in terms of the scale and quantity and the Company will seize the opportunity to be competitive in this high potential market.

Also, the Company will keep focusing on developing its competitiveness in the event market in relation to the interior solution project consultancy business. Upon the gradual recovery from the COVID-19 pandemic, it is believed that numerous international events or exhibitions in different sectors such as art, sports and music will resume or restart, especially in Hong Kong. The demand of its interior solution project consultancy business is therefore expected to increase significantly in the coming years. Stemming from the event management experience gained in the prior years, the Company is confident that it is a competent contender in such market.

*For illustrative purposes, the unaudited pro forma financial information of the Group prepared by the Directors in accordance with Rule 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2022. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial position on the completion of the Rights Issue.*

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES OF THE GROUP**

The following is the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 as if the Rights Issue had taken place on 31 December 2022.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 31 December 2022, as extracted from the interim condensed consolidated financial statements for the six months ended 31 December 2022 set out in the published interim report of the Company, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible liabilities of the Group attributable to the owners of the Company had the Rights Issue been completed as at 31 December 2022 or at any future date.

	Unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 immediately after the completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company per Share as at 31 December 2022 before the completion of the Rights Issue HK\$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company per Share as at 31 December 2022 immediately after the completion of the Rights Issue HK\$ (Note 4)
Based on 43,200,000 Rights Shares to be issued at the Subscription Price of HK\$0.4 per Rights Share	(19,346)	16,280	(3,066)	(0.27)	(0.03)

*Notes:*

1. The unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 is extracted from the interim condensed consolidated financial statements for the six months ended 31 December 2022 set out in the published interim report of the Company, which is based on the unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 31 December 2022.
2. The estimated net proceeds from the Rights Issue are based on 43,200,000 Rights Shares to be issued at the Subscription Price of HK\$0.4 per Rights Share, after deduction of the estimated related transaction costs of approximately HK\$1,000,000 which is directly attributable to the Rights Issue.
3. The unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company per Share as at 31 December 2022 before the completion of the Rights Issue is calculated based on the unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 of approximately HK\$19,346,000 and 72,000,000 Shares in issue as at 31 December 2022.

4. The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company per Share as at 31 December 2022 immediately after the completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 of approximately HK\$3,066,000 and 115,200,000 Shares in issue assuming the Rights Issue had been completed on 31 December 2022, which comprises (i) 72,000,000 Shares in issue as at 31 December 2022 before the Rights Issue; and (ii) 43,200,000 Rights Shares to be issued under the Rights Issue assuming the Rights Issue had been completed on 31 December 2022.
5. The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group does not take into account the placing of a total of 14,400,000 new shares of the Company at nominal value of HK\$0.4 per Share which has been completed on 12 January 2023 with the net proceeds amounted to approximately HK\$5,700,000 (the “**Completion of the Placing**”).

Had the Completion of the Placing been taken into account in the pro forma adjustment,

- (i) the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 of approximately HK\$3,066,000 would change to unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2022 of approximately HK\$2,634,000; and
  - (ii) the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company per Share as at 31 December 2022 immediately after the completion of the Rights Issue of approximately HK\$0.03 would change to unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 December 2022 immediately after the Completion of the Placing and the completion of the Rights Issue of approximately HK\$0.02 after adjusting for the unaudited pro forma adjusted consolidated net tangible liabilities mentioned in (i) and the total number of issued Shares of the Company from 115,200,000 Shares to 129,600,000 Shares.
6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible liabilities to reflect any trading or other transactions of the Group entered into subsequent to 31 December 2022.

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of the independent reporting accountants' assurance report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.*



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永安中心25樓

**To the directors of Crosstec Group Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Crosstec Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2022 and related notes as set out on pages II-1 to II-3 of Appendix II of the Company’s prospectus dated 30 June 2023 (the “**Prospectus**”) in connection with the proposed rights issue of the Company (the “**Proposed Rights Issue**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on page II-1 to II-3 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Rights Issue on the Group’s consolidated financial position as at 31 December 2022 as if the Proposed Rights Issue had taken place at 31 December 2022. As part of this process, information about the Group’s consolidated financial position has been extracted by the directors of the Company from the Group’s condensed consolidated interim financial statements for the six months ended 31 December 2022, on which no audit or review report has been published.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

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



**Our Independence and Quality Management**

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

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ 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 accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity 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 Proposed Rights Issue at 31 December 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 unaudited 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

### **Opinion**

In our opinion:

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

### **BDO Limited**

*Certified Public Accountants*

Hong Kong

30 June 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

- (i) Share capital as at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>250,000,000 Shares of HK\$0.40 each</u>	<u>100,000,000.00</u>
<i>Issued and fully paid up:</i>	<i>HK\$</i>
<u>86,400,000 Shares of HK\$0.40 each</u>	<u>34,560,000.00</u>

- (ii) Share capital upon the completion of the Rights Issue, assuming no changes in the number of Shares in issue before completion of the Rights Issue and all Qualifying Shareholders take up their respective allotment of Rights Shares in full

<i>Authorised:</i>	<i>HK\$</i>
<u>250,000,000 Shares of HK\$0.40 each</u>	<u>100,000,000.00</u>
<i>Issued and fully paid up:</i>	<i>HK\$</i>
<u>86,400,000 Shares of HK\$0.40 each</u>	<u>34,560,000.00</u>
<u>43,200,000 Rights Shares of HK\$0.40 each</u>	<u>17,280,000.00</u>
<u>129,600,000</u>	<u>51,840,000.00</u>

All the Rights Shares to be issued will rank pari passu in all respect with each other, including, in particular, as to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue 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. No parts of the share capital or any other securities of the Company are listed or dealt in on any stock exchange other than the Stock Exchange and no applications are being made or are currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into or confer any right to subscribe for Shares, and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

### 3. INTERESTS OF DIRECTORS

#### (a) Interest in the shares, underlying shares and debentures of the Company and its associated companies

As at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

#### (b) Interests in contracts and assets

As at the Latest Practicable Date, there were no contracts or arrangements subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 30 June 2022, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

#### (c) Interests in competing business

As at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors and their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**(d) Directors' service contracts**

Each of the executive Directors has entered into a service contract with the Company for a term which is not determinable within one year without payment of compensation. These service contracts shall continue after such agreed term unless and until terminated by either party with not less than three months' prior written notice.

Save as disclosed above, as at the Latest Practicable Date, there were no existing or proposed service contracts between the Directors and any member of the Company which are not expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation.

**4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, the Directors and chief executives of the Company were not aware of any person (other than the Directors and chief executives of the Company) who had an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

**5. LITIGATION**

As at the Latest Practicable Date, there were no litigations or claims of material importance, as known to the Directors, pending or threatened against any member of the Group.

**6. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) a tenancy agreement dated 16 January 2023 entered into between Ka Chee Company Limited as the landlord and Crosstec Business Management Limited, an indirect wholly-owned subsidiary of the Company, in relation to the lease of the office premises located at the Ninth Floor of Olympia Plaza, 255 King's Road, North Point, Hong Kong at a monthly rental of HK\$155,060.00 for a term of 3 years from 1 February 2023 to 31 January 2026 (both days inclusive); and
- (b) a conditional placing agreement dated 14 December 2022 and entered into between CROSSTEC Group Holdings Limited and Glory Sun Securities Limited as the placing agent in relation to the placing, on a best effort basis, of up to 14,400,000 placing shares. The net proceeds raised under such placing agreement amounted to approximately HK\$5.7 million.

Save as disclosed above, no material contracts (not being contract entered into in the ordinary course of business of the Group) were entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date.

## 7. EXPERT AND CONSENT

The following is the qualification of the experts who have given opinions, letters or advice which are contained in this Prospectus:

<b>Name</b>	<b>Address</b>	<b>Qualification</b>
BDO Limited	25th Floor Wing On Centre 111 Connaught Road Central Hong Kong	Certified Public Accountants, Hong Kong

- (a) BDO Limited has given, and has not withdrawn, its written consent to the issue of this Prospectus with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.
- (b) As at the Latest Practicable Date, BDO Limited did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) As at the Latest Practicable Date, BDO Limited did not have any interest, direct or indirect, in any asset which has been, since 30 June 2022, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

## 8. DOCUMENTS ON DISPLAY

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

- (a) the report prepared by BDO Limited, Certified Public Accountants on the unaudited pro forma statements of adjusted consolidated net tangible assets of the Group, the text of which is set out in Appendix II to this Prospectus;
- (b) the written consents referred to in the paragraph headed “Expert and Consent” in this Appendix;
- (c) the service contracts referred to in the paragraph of “(d) Directors’ service contracts” under the section headed “INTERESTS OF DIRECTORS” in this Appendix; and
- (d) the material contracts referred to in the paragraph headed “Material Contracts” in this Appendix.

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

Registered Office	Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Headquarters and Principal Place of Business in Hong Kong	9th Floor Olympia Plaza 255 King's Road North Point Hong Kong
Authorised Representatives	Mr. Lam Wing Hung 9th Floor Olympia Plaza 255 King's Road North Point Hong Kong  Mr. Au Pak Lun Patrick 9th Floor Olympia Plaza 255 King's Road North Point Hong Kong
Joint Company Secretary	Mr. Lam Wing Hung ( <i>member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Institute of Chartered Accountants in England and Wales</i> ) and Mr. Au Pak Lun Patrick ( <i>member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and The Hong Kong Chartered Governance Institute</i> )
Principal Share Registrar and Transfer Office	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Hong Kong Branch Share Registrar and Transfer Office	Tricor Investor Services Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Principal bankers	HSBC 1 Queen's Road Central Hong Kong
	Bank of China (Hong Kong) Limited 1 Garden Road Central Hong Kong
	Hang Seng Bank 83 Des Voeux Road Central Central Hong Kong
Auditor/Reporting Accountants	BDO Limited 25th Floor Wing On Centre 111 Connaught Road Central Hong Kong
Legal Advisers to the Company in relation to the Rights Issue	As to laws of Hong Kong Winston & Strawn 6th Floor, Henley Building 5 Queen's Road Central Hong Kong



**10. PARTICULARS OF DIRECTORS****(a) Names and address of the Directors of the Group**

<b>Name</b>	<b>Business address</b>
<i>Executive Directors</i>	
Mr. Hu Xiongjie	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
Mr. Lam Wing Hung	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
Mr. Liang Shifeng	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
<i>Non-executive Director</i>	
Mr. Tsang Ho Yin	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. So Chi Hang	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
Mr. Heng Ching Kuen Franklin	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
Ms. Lee Kwai Sheung	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
Ms. Wang Qin	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
<i>Joint Company Secretaries</i>	
Mr. Lam Wing Hung and Mr. Au Pak Lun Patrick	9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong

(b) **Brief biographies of the Directors and senior management of the Group**

**Executive Directors**

**Mr. Hu Xiongjie**

Mr. Hu Xiongjie, aged 33, has been appointed as an executive Director since 11 October 2022 and the chairman of the Board (the “**Chairman**”) on 13 December 2022. He is also a director of a subsidiary of the Company. He is currently the chairman of the nomination committee of the Company (the “**Nomination Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”). Mr. Hu has several years of working experience in logistic industry and entrepreneurial experience in Singapore and Malaysia. He was the project director of Ideology Interior Pte Ltd. prior to joining the Company. Mr. Hu holds a diploma in industrial and operations management from Republic Polytechnic Singapore.

Mr. Hu had entered into a service contract with the Company for a term commencing from 11 October 2022 to 8 September 2023 which may be terminated by not less than three months’ notice served by either party on the other. He is subject to re-election at the forthcoming annual general meeting of the Company and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company.

Mr. Hu is entitled to (i) a remuneration of HK\$252,000 per annum in his capacity as an executive Director, (ii) an emolument of HK\$948,000 per annum for his role as the Chairman, (iii) a sitting fee of HK\$2,500 for his attendance of each committee meeting (excluding the board meeting and general meeting) and (iv) other benefits under the Company’s health insurance scheme and any employee benefit plan, which is determined with reference to his qualification, duties and responsibilities, and the recommendation from the remuneration committee of the Company (the “**Remuneration Committee**”). The remuneration of Mr. Hu for acting as an executive Director and the Chairman was determined by the Board based on the recommendation from the Remuneration Committee and with reference to the Company’s remuneration policy.

Save as disclosed above, as at the Latest Practicable Date, Mr. Hu (i) has not held any directorships in other listed company in the last three years; (ii) does not have any other major appointments and professional qualifications; (iii) does not hold any other position with the Company or other members of the Group; (iv) does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as respectively defined under the Listing Rules) of the Company; and (v) does not have or is not deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

**Mr. Lam Wing Hung**

Mr. Lam Wing Hung, aged 35, joined the Group as financial controller in April 2017. He has been appointed as an executive Director and promoted as a finance director of the Company with effect from 16 September 2022. He has also been the company secretary of the Company and several subsidiaries of the Company since 25 March 2022. He is currently the chief executive officer of the Company. Mr. Lam has over 10 years' experience in auditing, accounting and corporate management with international exposure. Prior to joining the Group, from October 2010 to April 2017, Mr. Lam held various positions at Ernst & Young Hong Kong office, where he last served as manager in the assurance department. Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Institute of Chartered Accountants in England and Wales since 2013 and 2022 respectively. Mr. Lam holds a Bachelor's degree in Accountancy from the Hong Kong Polytechnic University.

Mr. Lam has entered into a service contract with the Company for a term commencing from 16 September 2022 to 8 September 2023 which may be terminated by not less than three months' notice served by either party on the other. He is subject to re-election at the forthcoming annual general meeting of the Company and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company. Mr. Lam is entitled to (i) a remuneration of HK\$120,000 per annum in his capacity as an executive Director, (ii) an annual remuneration as employee of the Company of HK\$1,440,000, (iii) an annual discretionary bonus, (iv) a sitting fee of HK\$2,500 for his attendance of each committee meeting (excluding the Board meeting and general meeting) and (v) other benefits under the Company's health insurance scheme and any employee benefit plan, which is determined with reference to his duties and responsibilities, the prevailing market conditions and the recommendation from the Remuneration Committee. The remuneration of Mr. Lam for acting as an executive Director and the chief executive officer of the Company was determined by the Board based on the recommendation from the Remuneration Committee and with reference to the Company's remuneration policy.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lam (i) has not held any directorships in other listed company in the last three years; (ii) does not have any other major appointments and professional qualifications; (iii) does not hold any other position with the Company or other members of the Group; (iv) does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as respectively defined under the Listing Rules) of the Company; and (v) does not have or is not deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

Mr. Lam has tendered his resignation as an executive Director, the chief executive officer, finance director, joint company secretary, authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules and an authorised representative of the Company to accept service of process and notices in Hong Kong pursuant to Part 16 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong of the Company with effect from 21 September 2023.

**Mr. Liang Shifeng**

Mr. Liang Shifeng, aged 46, has been appointed as an executive Director and the finance director of the Company with effect from 21 June 2023. Mr. Liang has more than 18 years of working experience in accounting and financial management. He is currently the finance director of 易緯(深圳)裝飾工程有限公司 (Crosstec (Shenzhen) Contracting Company Limited\*) (“Crosstec (Shenzhen)”), a wholly-owned subsidiary of the Company. Mr. Liang holds a bachelor’s degree in management from Changchun Taxation College (currently known as Jilin University of Finance and Economics).

Mr. Liang has entered into a service contract with the Company for a term commencing from 21 June 2023 to 8 September 2023 which may be terminated by not less than three months’ notice served by either party on the other. He is subject to re-election at the forthcoming annual general meeting of the Company and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company. Mr. Liang is entitled to (i) a remuneration of RMB20,000 per month in his capacity as the finance director of Crosstec (Shenzhen), (ii) a remuneration of HK\$10,000 per month in his capacity as an executive Director and the finance director of the Company, (iii) a sitting fee of HK\$2,500 for his attendance of each committee meeting (excluding the board meeting and general meeting), and (iv) other benefits under the Company’s health insurance scheme and any employee benefit plan, which was determined with reference to his qualification, duties and responsibilities, and the recommendation from the remuneration committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Liang (i) has not held any directorships in other listed company in the last three years; (ii) does not have any other major appointments and professional qualifications; (iii) does not hold any other position with the Company or other members of the Group; (iv) does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as respectively defined under the Listing Rules) of the Company; and (v) does not have or is not deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

**Non-executive Director****Mr. Tsang Ho Yin**

Mr. Tsang Ho Yin, aged 37, has been an independent non-executive Director from 28 September 2021 to 19 January 2023, and was redesignated as a non-executive Director on 20 January 2023. He is currently a member of each of the Nomination Committee, the Remuneration Committee and the risk management committee of the Company (the “**Risk Management Committee**”). He is responsible for supervising, and providing independent judgment to, the Board. Mr. Tsang is a practising solicitor in Hong Kong. Mr. Tsang is currently a partner of Stevenson, Wong & Co., specialising in corporate finance and commercial law. Mr. Tsang has been a non-executive director of China Regenerative Medicine International Limited (a company whose shares are listed on GEM of the Stock Exchange, stock code: 8158) since January 2020, and an independent non-executive director of Sterling Group Holdings Limited (a company whose shares are listed on the Main Board of the Stock Exchange, stock code: 1825) since September 2021.

Mr. Tsang obtained a bachelor degree in laws and a bachelor degree in commerce in 2008 and subsequently a master degree in laws in 2010 from the University of Melbourne, Australia. He also obtained the postgraduate certificate in laws from the City University of Hong Kong in 2011. Mr. Tsang was admitted as a solicitor in Australia in 2012 and in Hong Kong in 2013 respectively.

Mr. Tsang has signed a letter of appointment issued by the Company for the appointment as a non-executive Director for a term commencing from 20 January 2023 to 8 September 2023 which may be terminated by not less than three months’ notice served by either party on the other. He is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company. Mr. Tsang is entitled to a remuneration of HK\$360,000 per annum in his capacity as a non-executive Director, and a sitting fee of HK\$2,500 for his attendance of each Board committee meeting (excluding the board meeting and general meeting), which is determined with reference to his qualification, duties and responsibilities, and the recommendation from the Remuneration Committee.

Save as disclosed above, as at the Latest Practicable Date, Mr. Tsang (i) has not held any directorships in other listed companies in the last three years; (ii) does not have any other major appointments and professional qualifications; (iii) does not hold any other position with the Company or other members of the Group; (iv) does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as respectively defined under the Listing Rules) of the Company; and (v) does not have or is not deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

**Independent Non-executive Directors****Mr. So Chi Hang**

Mr. So Chi Hang, aged 57, has been an independent non-executive Director since 22 August 2016. Mr. So is also the chairman of each of the audit committee of the Company (the “**Audit Committee**”) and the Remuneration Committee and a member of each of the Nomination Committee and the Risk Management Committee. Mr. So is responsible for supervising and providing independent judgment to the Board. Mr. So has over 25 years of experience in finance with local and overseas exposure. From October 2015 to December 2017, Mr. So served as the vice president of project management of BSN Medical KK in Japan, where he was responsible for guiding and monitoring the work of local outsourced accounting service provider. Mr. So served as a business analyst consultant of STL Corp., Ltd from May 2011 to December 2013, where he provided independent consultation service in developing and monitoring the execution of business strategies. He served as an associate director of KCS Management & Consultancy (China) Co., Ltd from November 2008 to March 2011 and KCS Limited from September 2007 to November 2008, where he supervised the account servicing teams of the corporate accounting division. Mr. So held various positions while he was with ACNielsen (China) Ltd from October 1997 to April 2007 where his last position was the director of finance, where he was responsible for the management of all finance and accounting operations. He also served as a divisional accountant of the AFS Freight Management Group in Australia from July 1993 to April 1997, where he was responsible for accounting and taxation matters for the group’s non-Australian companies, including Hong Kong and Shanghai, Papua New Guinea, New Zealand and the United States. From April 1991 to June 1993, Mr. So served as an accountant of AIA Capital Corporation Limited. Before that, he served as the group accountant of Desh Group from June 1990 till 1991. Mr. So started his career as an auditor of Coopers & Lybrand from January 1989 to June 1990

Mr. So obtained a bachelor of commerce degree from the University of Queensland in Australia in August 1988. He has been a certified practicing accountant of Australian Society of CPAs since October 1993.

Mr. So has renewed his letter of appointment with the Company for another term of one year commencing on 9 September 2022, which may be terminated by not less than three month’s notice served by either party on the other, and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company. Mr. So is entitled to an annual emolument of HK\$240,000 and a sitting fee of HK\$2,500 for his attendance of each committee meeting (excluding Board meeting and general meeting), which has been recommended by the Remuneration Committee and determined by the Board with reference to his duties and responsibilities within the Company and the prevailing market conditions. His remuneration is subject to review by the Remuneration Committee and the Board from time to time.

Save as disclosed above, as at the Latest Practicable Date, Mr. So (i) did not hold any directorships in other listed company in the last three years; (ii) did not have any other major appointments and professional qualifications; (iii) did not hold any other position with the Company or other members of the Group; (iv) did not have any relationship with any other Directors, senior management, substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company; and (v) did not have or was not deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

Mr. So has tendered his resignation as an independent non-executive Director with effect from 1 September 2023 and will cease to be the chairman of each of the Audit Committee and the Remuneration Committee and a member of each of the Nomination Committee and the Risk Management Committee upon his resignation as an independent non-executive Director becoming effective on 1 September 2023.

#### **Mr. Heng Ching Kuen Franklin**

Mr. Heng Ching Kuen Franklin, aged 58, has been an independent non-executive Director since 22 August 2016. He is also the chairman of the Risk Management Committee and a member of the Audit Committee. Mr. Heng is responsible for supervising, and providing independent judgement, to the Board. He has over 20 years of experience in banking and finance. Since August 2022, Mr. Heng has been the Responsible Officer of Bletchley Park Asset Management (Hong Kong) Limited, a licensed corporation under the SFO to carry on asset management and advising on securities regulated activities. Prior to that, Mr. Heng was the managing partner and Responsible Officer of Springboard Capital Limited, a licensed corporation under the SFO to carry on asset management regulated activities from June 2011 to July 2022. He was managing director of The Royal Bank of Scotland Plc, Hong Kong from May 2006 to October 2008. He was a director of HSBC Securities (Asia) Limited and held senior positions of other HSBC group companies from June 1999 to April 2006. He held senior positions in several major private financial institutions in Hong Kong and had both been registered with the Hong Kong Monetary Authority as Executive Officer as well as the Securities and Futures Commission as Responsible Officer, carrying out numerous regulated activities.

Mr. Heng obtained a bachelor of arts and subsequently a master of arts in June 1988 and March 1992 respectively from the University of Cambridge, England. He has been a fellow member of The Institute of Chartered Accountants in England and Wales since December 2009 and The Hong Kong Institute of Directors since July 2009, and a member of The Hong Kong Institute of Certified Public Accountants since July 1998.

Mr. Heng has renewed his letter of appointment with the Company for another term of one year commencing from 9 September 2022, which may be terminated by not less than three months' notice served by either party on the other, and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company. Mr. Heng is entitled to an annual director's remuneration of HK\$240,000, and a sitting fee of HK\$2,500 for his attendance of each committee meeting (excluding Board meeting and general

meeting), which has been recommended by the Remuneration Committee and determined by the Board with reference to his duties and responsibilities within the Company and the prevailing market conditions. His remuneration is subject to review by the Remuneration Committee and the Board from time to time.

Save as disclosed above, as at the Latest Practicable Date, Mr. Heng (i) did not hold any directorships in other listed company in the last three years; (ii) did not have any other major appointments and professional qualifications; (iii) did not hold any other position with the Company or other members of the Group; (iv) did not have any relationship with any directors, senior management, substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company; and (v) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Heng has tendered his resignation as an independent non-executive Director with effect from 1 September 2023 and will cease to be the chairman of the Risk Management Committee and a member of the Audit Committee upon his resignation as an independent non-executive Director becoming effective on 1 September 2023.

#### **Ms. Lee Kwai Sheung**

Ms. Lee Kwai Sheung (former name: Lee Yin Sheung), aged 44, was appointed as an independent non-executive Director on 20 January 2023. She is currently a member of each of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee. Ms. Lee has more than 20 years of working experience in accounting. Ms. Lee is a member of the Association of Chartered Certified Accountants. She holds a bachelor's degree of Arts in Accountancy from the University of Bolton.

Ms. Lee has signed a letter of appointment issued by the Company for the appointment as an independent non-executive Director for a term commencing from 20 January 2023 to 8 September 2023 which may be terminated by not less than three months' notice served by either party on the other. She is subject to re-election at the forthcoming annual general meeting of the Company and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company. Ms. Lee is entitled to a remuneration of HK\$120,000 per annum in her capacity as an independent non-executive Director, and a sitting fee of HK\$2,500 for her attendance of each Board committee meeting (excluding the board meeting and general meeting), which was determined with reference to her qualification, duties and responsibilities, and the recommendation from the Remuneration Committee.

Save as disclosed above, as at the Latest Practicable Date, Ms. Lee (i) has not held any directorships in other listed companies in the last three years; (ii) does not have any other major appointments and professional qualifications; (iii) does not hold any other position with the Company or other members of the Group; (iv) does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as respectively defined under the Listing Rules) of the Company; and (v) does not have or is not deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).



**Ms. Wang Qin**

Ms. Wang Qin, aged 38, was appointed as an independent non-executive Director on 20 January 2023. She is currently a member of each of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee. Ms. Wang has more than 10 years of human resources and/or administrative management experience. She holds a bachelor's degree in administrative management from China Central Radio and TV University (now known as the Open University of China).

Ms. Wang has signed a letter of appointment issued by the Company for the appointment as an independent non-executive Director for a term commencing from 20 January 2023 to 8 September 2023 which may be terminated by not less than three months' notice served by either party on the other. She is subject to re-election at the forthcoming annual general meeting of the Company and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the articles of association of the Company. Ms. Wang is entitled to a remuneration of HK\$120,000 per annum in her capacity as an independent non-executive Director, and a sitting fee of HK\$2,500 for her attendance of each Board committee meeting (excluding the board meeting and general meeting), which was determined with reference to her qualification, duties and responsibilities, and the recommendation from the Remuneration Committee.

Save as disclosed above, as at the Latest Practicable Date, Ms. Wang (i) has not held any directorships in other listed companies in the last three years; (ii) does not have any other major appointments and professional qualifications; (iii) does not hold any other position with the Company or other members of the Group; (iv) does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as respectively defined under the Listing Rules) of the Company; and (v) does not have or is not deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

**Business address of the Directors**

The principal address of the Directors is the same as the Company's head office and principal place of business in Hong Kong located at 9th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong.

**11. EXPENSES**

The expenses in connection with the Rights Issue, including financial advisory fees, legal advisory fees, valuation, printing, registration, translation and accountancy charges, are estimated to be approximately HK\$1.0 million, which are payable by the Company.

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

A copy of each of the Prospectus Documents and the written consents as referred to under the paragraph headed “Expert and Consent” in this Appendix, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**13. BINDING EFFECT**

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

**14. MISCELLANEOUS**

- (a) The registered office and principal place of business of the Company in Hong Kong is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and 9th Floor, Olympia Plaza, 255 King’s Road, North Point, Hong Kong respectively.
- (b) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited, which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The joint company Secretaries of the Company are Mr. Lam Wing Hung and Mr. Au Pak Lun Patrick. Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Institute of Chartered Accountants in England and Wales since 2013 and 2022 respectively. Mr. Lam holds a Bachelor’s degree in Accountancy from the Hong Kong Polytechnic University; whereas Mr. Au is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Au is also a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Mr. Au holds a master degree of corporate governance from the Hong Kong Polytechnic University.
- (d) As at the Latest Practicable Date, the Directors were not aware of any restriction affecting the remittance of profit or repatriation of capital of the Group into Hong Kong from outside Hong Kong.
- (e) The Prospectus Documents are prepared in both English and Chinese. In the event of inconsistency, the English texts shall prevail.