
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Champion Technology Holdings Limited, you should at once hand this prospectus to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should seek advice from your stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect your rights and interests.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “15. Documents Registered by the Registrar of Companies in Hong Kong” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance. Neither the SFC, nor the Stock Exchange nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of these documents.

This prospectus is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.

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



CHAMPION TECHNOLOGY HOLDINGS LIMITED

冠軍科技集團有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 92)

RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE

Underwriters to the Rights Issue



The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Monday, 6 December 2021. The procedure for acceptance and payment for the Rights Shares are set out in the paragraph headed “Procedure for acceptance and payment or transfer” of this prospectus.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the obligations of the Underwriters thereunder on the occurrence of certain events. These certain events are set out in the section headed “Termination of the Underwriting Agreement” of this prospectus. If the Underwriting Agreement is terminated by the Underwriters or does not become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 24 November 2021 to Wednesday, 1 December 2021 (both dates inclusive). If the Underwriters terminate the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled or waived (as applicable) (which is expected to be at 4:00 p.m. on Tuesday, 7 December 2021) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

NOTICES TO OVERSEAS SHAREHOLDERS

Based on the legal advice of the Company's legal advisers in relation to the laws of the overseas jurisdictions, the following notices are set out for the attention of the Overseas Shareholders:

Australia

This is an exempt offer under Chapter 6D.2 of the Corporations Act (2001) Cth ("**Corporations Act**").

The offer being made pursuant to this prospectus is made solely to those shareholders in Australia who qualify for one or more of the exemptions set out in section 708 of the Corporations Act.

This prospectus is not intended to provide the basis of any investment or credit decision, or any other risk evaluation, and may not be considered as a recommendation or advice by the Company or any other person in connection with an investment in the Company. Each Australian shareholder to whom this prospectus is given ("**Recipient**") must make its own independent assessment and investigation of the business opportunity and should not rely on any statement or the adequacy or accuracy of any information set out in this prospectus. Any Recipient should determine whether to acquire additional shares in the Company on the basis of independent investigations and independent professional advice that it considers necessary or desirable.

This prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission. Any invitation to purchase or subscribe for the shares will be an offer that does not need disclosure for the purposes of section 708 of the Corporations Act. By retaining this prospectus, the Recipient represents to the Company that it is a sophisticated investor under section 708(8) of the Corporations Act or a professional investor under section 708(11) of the Corporations Act, or both. In the alternative, the Company may issue shares to the Recipient in reliance on certain other categories in section 708 of the Corporations Act.

Taiwan

The Rights Shares have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer or a solicitation of an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Rights Shares in Taiwan.

NOTICES TO OVERSEAS SHAREHOLDERS

United Kingdom

You must read this disclaimer carefully before accessing, reading or making any other use of this prospectus. In accessing this prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that the delivery of this prospectus is confidential and intended for you only and you agree that you will not forward, reproduce, copy, download or publish this prospectus, whether electronically or otherwise, to any other person.

This prospectus has been prepared solely in connection with the rights issue of the Company. This prospectus has been prepared in circumstances not resulting in an offer of transferable securities to the public under Section 102B of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”). The total consideration in the United Kingdom in relation to the Rights Shares is less than €8 million (or an equivalent amount). Therefore, in accordance with Section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the prospectus regulation rules of the Financial Conduct Authority (“**FCA**”) (“**Prospectus Rules**”). This prospectus is therefore not an approved prospectus for the purposes of the Prospectus Rules. This prospectus has not been, and will not be, reviewed or approved by the FCA or any other competent authority in the United Kingdom.

This prospectus has not been approved by an authorised person pursuant to section 21 of FSMA. This prospectus is being distributed only to and is only directed at persons in the United Kingdom who are “Shareholders” falling within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (members and creditors of certain bodies corporate). This prospectus is delivered to you on the basis that you are deemed to have represented to the Company that (a) you are resident in the United Kingdom; and (b) you are a Shareholder of the Company as at the Record Date.

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EXPECTED TIMETABLE

The expected timetable for Change in Board Lot Size and the Rights Issue and the associated trading arrangement is set out below.

Event	Date 2021
Despatch of the Prospectus Documents	Monday, 22 November
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 24 November
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 26 November
Lastest day of dealings in nil-paid Rights Shares	Wednesday, 1 December
Latest time for acceptance of, and payment for the Rights Shares and application for excess Rights Shares	4:00 p.m., Monday, 6 December
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 7 December
Announcement of results of the Rights Issue.....	Monday, 13 December
Refund cheques, if any, to be despatched (if the Rights Issue is terminated and in respect of unsuccessful or partially successful applications for excess Rights Shares)	Tuesday, 14 December
Certificates for fully-paid Rights Shares to be despatched	Tuesday, 14 December
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 15 December
Effective date of the new board lot size (in board lot size of 24,000).....	9:00 a.m. on Wednesday, 15 December
Designated broker starts to stand in the market to provide matching services for odd lots of Shares.....	9:00 a.m. on Wednesday, 15 December
	2022
The last day for the designated broker to provide matching services for odd lots of Shares.....	4:00 p.m. on Wednesday, 5 January

Note: All times and dates in this prospectus refer to Hong Kong local times and dates. The dates or deadlines specified in this prospectus for events mentioned in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the above expected timetable will be announced by the Company as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER 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 for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no.8 or above, or “extreme conditions” caused by a super typhoon or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 6 December 2021. Instead the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 6 December 2021. Instead the latest time of acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares does not take place on Monday, 6 December 2021, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

Any of the Underwriters may by notice in writing severally to the Company given at any time before the Latest Time for Termination, to terminate its obligation to underwrite the Rights Shares under the Underwriting Agreement if:

- (1) in the absolute opinion of the Underwriters, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue or make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or
 - (c) any materially adverse change in the business or in the financial or trading position or prospects of the Group as a whole or any such change, in the absolute opinion of any of the Underwriters, would make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (e) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurring after the signing of the Underwriting Agreement, which in the absolute opinion of any of the Underwriters would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or makes it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or
 - (f) this prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company

TERMINATION OF THE UNDERWRITING AGREEMENT

and such information in the absolute opinion of any of the Underwriters is considered to materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the USA) occurs which in the opinion of the Underwriters make it inexpedient or inadvisable to proceed with the Rights Issue.

If the Underwriters give a notice of termination as aforesaid, the Underwriting Agreement shall terminate and the Rights Issue will not proceed. The obligations of the parties under the Underwriting Agreement shall also forthwith cease and be null and void and none of the parties shall, save in respect of certain provisions of the Underwriting Agreement and any right or liabilities accrued before termination, have any right against or liability towards the other parties arising out of or in connection with the Underwriting Agreement. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriters.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 18 May 2021 in relation to, among other things, the proposed Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning number 8 or above or “extreme conditions” caused by super typhoon 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
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the change in board lot size for trading from 6,000 Shares to 24,000 Shares
“Circular”	the circular of the Company dated 20 October 2021 in relation to, among other things, the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size
“Committed Shareholders”	each of Worldwide Peace Limited and Ms. Wong Man Winny, the executive Director and chairperson of the Company
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended and supplemented from time to time
“Company”	Champion Technology Holdings Limited, a company continued in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the 128,137,958 Kantone Shares beneficially owned by the Company and sold to Innovative City pursuant to the sale and purchase agreement dated 31 May 2021 entered into between Innovative City and the Company (as amended and supplemented by the supplemental agreements dated 16 August 2021 and 15 September 2021)
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriters
“Excluded Shareholder(s)”	those Overseas Shareholder(s) with registered addresses in Canada, Malaysia, Singapore and the USA whom the Directors, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GFL”	Guangdong Finance Limited, a licensed money lender which granted the GFL Loan to the Company
“GFL Loan”	a term loan facility of up to HK\$305,000,000 under a facility agreement (as amended or supplemented from time to time) entered into by, among others, the Company and GFL on 12 June 2017
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	an increase in the authorised share capital of the Company from HK\$150,000,000 divided into 1,500,000,000 Shares to HK\$1,600,000,000 divided into 16,000,000,000 Shares by creating an additional 14,500,000,000 unissued Shares

DEFINITIONS

“Independent Shareholder(s)”	any Shareholder(s) who were not required to abstain from voting at the SGM under the Listing Rules
“Independent Third Parties”	parties independent of and not connected with the Company and its connected persons
“Innovative City”	Innovative City Investments Limited, a company incorporated in the BVI with limited liability, the purchaser of the 128,137,958 Kantone Shares in relation to the Disposal
“Kantone”	Kantone Holdings Limited, which was a non-wholly owned subsidiary of the Company prior to the Disposal and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1059)
“Kantone Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of Kantone
“Last Trading Day”	18 May 2021, being the last trading day of the Shares on the Stock Exchange prior to the issue of the Announcement
“Latest Practicable Date”	15 November 2021, being the latest practicable date prior to the printing of this prospectus for inclusion of certain information in this prospectus
“Latest Time for Acceptance”	4:00 p.m. on Monday, 6 December 2021 or such later time or date as may be agreed between the Company and the Underwriters, being the latest time for acceptance of the offer of Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or “extreme conditions” caused by a super typhoon in force in Hong Kong on such day before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or “extreme conditions” caused by a super typhoon in force in Hong Kong on such day at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on the next Business Day after the Latest Time for Acceptance

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administration Region of the PRC and Taiwan for the purposes of this prospectus
“Promissory Note”	the promissory note dated 19 July 2017 and issued to Wealth Track Asia Limited in the original principal amount of HK\$120,000,000
“Prospectus Documents”	this prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Thursday, 18 November 2021 or such other date as may be agreed between the Company and the Underwriters in accordance with the relevant regulations or requirements, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Secretaries Limited, the Hong Kong branch share registrar and transfer office of the Company located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue of the Rights Shares by way of rights of three (3) Rights Shares for every one (1) existing Share held at the close of business on the Record Date at the Subscription Price pursuant to the Prospectus Documents and summarized in this prospectus and as contemplated under the Underwriting Agreement
“Rights Share(s)”	2,051,492,544 new Shares to be allotted and issued by the Company to the Qualifying Shareholders for subscription pursuant to the Rights Issue

DEFINITIONS

“Remaining Group”	the Company and its subsidiaries, excluding the Kantone Group
“Repayment”	the full repayment of the outstanding balance of the Promissory Note. As at the Latest Practicable Date, the outstanding principal balance of the Promissory Note was approximately HK\$44 million
“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended and supplemented from time to time
“SGM”	the special general meeting of the Company convened and held at 4:00 p.m. on Monday, 8 November 2021, in which relevant resolutions to approve the Increase in Authorised Share Capital, the Rights Issues and the Repayment were duly passed by way of poll
“Share(s)”	the ordinary share(s) with par value of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	the shareholders of the Company
“Shareholder Irrevocable Undertaking(s)”	the irrevocable undertaking(s), referred to in the sub-section headed “The Shareholder Irrevocable Undertakings” under the section headed “The Underwriting Agreement”, dated 18 May 2021 and executed by each of the Committed Shareholders in favour of the Company and the Underwriters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.10 per Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“subsidiaries”	has the same meaning as in section 2 of the Companies (WUMP) Ordinance
“Takeovers Code”	The Code on Takeovers and Mergers

DEFINITIONS

“Underwriters”	(1) Get Nice Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO; and (2) Kingston Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement (as amended and supplemented by a supplemental agreement dated 15 October 2021) entered into between the Company and the Underwriters on 18 May 2021 in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	an aggregate of 1,719,723,294 Rights Shares to be underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement other than those Rights Shares to be taken up under the Shareholder Irrevocable Undertakings
“USA”	the United States of America
“%”	per cent

LETTER FROM THE BOARD



CHAMPION TECHNOLOGY HOLDINGS LIMITED

冠軍科技集團有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 92)

Executive Director:

Ms. Wong Man Winny (*Chairperson*)

Non-executive Directors:

Mr. Liu Ka Lim

Ms. To Yin Fong Cecilica

Independent non-executive Directors:

Mr. Leung Man Fai

Mr. Chan Yik Hei

Mr. Wong Yuk Man Edmand

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business

in Hong Kong:

Units 4213–14, 42nd Floor

Hong Kong Plaza

No. 188 Connaught Road West

Hong Kong

22 November 2021

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

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
THREE RIGHTS SHARES FOR EVERY ONE EXISTING SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement and the Circular, in relation to, among other things, the Increase in Authorised Share Capital, Rights Issue, and Change in Board Lot Size. On 18 May 2021, the Board announced that the Company proposed to seek the approval by way of ordinary resolution by Shareholders at the SGM of an increase in its authorised share capital from HK\$150,000,000 divided into 1,500,000,000 Shares to HK\$1,600,000,000 divided into 16,000,000,000 Shares by creating an additional 14,500,000,000 unissued Shares. Conditional upon the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the SGM, the Board proposed to raise gross proceeds of approximately HK\$205 million on the basis of three (3) Rights Shares for every one (1) existing Share held on the Record Date by issuing 2,051,492,544 Rights Shares at the Subscription Price of HK\$0.1 per Rights Share. The Subscription Price is payable in full upon acceptance of the relevant provisional allotment of

LETTER FROM THE BOARD

Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

At the SGM, the relevant resolutions for approving, among other things, the Increase in Authorised Share Capital and the Rights Issue were duly passed by the Shareholders or the Independent Shareholders (as the case may be) by way of poll.

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

TERMS OF THE RIGHTS ISSUE

The Rights Issue is to take place with the terms set out as follows:

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) existing Share held at the close of business on the Record Date
Subscription Price	:	HK\$0.10 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	683,830,848 Shares
Number of Rights Shares	:	2,051,492,544 Rights Shares with an aggregate nominal value of HK\$205,149,254.4
Number of issued Shares of the Company upon completion of the Rights Issue	:	2,735,323,392 Shares
Amount to be raised	:	Approximately HK\$205 million before expenses
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment

LETTER FROM THE BOARD

The nil-paid Rights Shares to be provisionally allotted pursuant to the terms of the Rights Issue represents 300.00% of the Company's issued share capital as at the Latest Practicable Date and approximately 75.00% of the Company's issued share capital as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before completion of the Rights Issue. The Rights Shares will have an aggregate nominal value of HK\$205,149,254.4.

The Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.27A(1) of the Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the Latest Practicable Date, the Company has no controlling Shareholder. The Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates, who are interested in 111,087,750 Shares in aggregate (representing approximately 16.24% of the total number of Shares in issue as at the Latest Practicable Date), had abstained from voting in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules. To the best of the knowledge, information and belief of the Directors, save as disclosed above, none of the Shareholders were required to abstain from voting on the resolution to approve the Rights Issue. The persons who abstained from voting in favour at the SGM had no intention to vote against the resolution of the Rights Issue.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Prospectus Documents are being sent by the Company to the Qualifying Shareholders. Copies of this prospectus are being sent by the Company to the Excluded Shareholders for their information only.

To qualify for the Rights Issue, a Shareholder or an investor must: (i) be registered as a member of the Company as at the close of business on the Record Date; and (ii) not be an Excluded Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

LETTER FROM THE BOARD

The latest time for acceptance of, and payment for, the Rights Shares is at 4:00 p.m. on Monday, 6 December 2021 or such later time or date as may be agreed between the Company and the Underwriters.

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

If a Qualifying Shareholder does not take up his, her or its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Basis of provisional allotments

The basis of the provisional allotment is three (3) Rights Shares (in nil-paid form) for every one (1) existing Share held by Qualifying Shareholders at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by 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.

Rights of the Overseas Shareholder(s)

This Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdictions other than Hong Kong.

Based on the register of members of the Company as at the Record Date, the Company had 27 Overseas Shareholders holding 2,879 shares in aggregate with registered address situated in Australia, Canada, Italy, the United Kingdom, Macau, Malaysia, Singapore, Thailand, Taiwan and the USA.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholders. Based on local legal advice as at the Latest Practicable Date, the Board is of the view that local legal restrictions and requirements of the relevant regulatory body or stock exchange do not make it necessary or expedient to exclude Overseas Shareholders with registered addresses in Australia, Italy, Macau, Thailand, Taiwan and the United Kingdom from the Rights Issue and the Rights Issue is being offered to Overseas Shareholders in those jurisdictions.

Based on the local legal advice as at the Latest Practicable Date, the Board is of the view that relevant local legal restrictions and requirements of the relevant regulatory body or stock exchange make it necessary or expedient to exclude Overseas Shareholders with registered addresses in Canada, Malaysia, Singapore and the USA from the Rights Issue and the Rights Issue is not being offered to Overseas Shareholders in those jurisdictions for reasons including those summarised below.

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Canada

The Rights Issue could be made available to Shareholders with registered addresses in Canada if amongst other things:

- (i) to the knowledge of the Company after reasonable inquiry (i) the number of beneficial holders of Shares for which the Rights Shares (as such term is defined in the Announcement) are issued that are resident in Canada does not constitute 10% or more of all holders of the Shares, and (ii) the number of Shares for which the Rights Shares are issued that are beneficially held by security holders that are resident in Canada does not constitute, in the aggregate, 10% or more of the outstanding Shares;
- (ii) all materials sent to any other security holders for the distribution of the Rights Shares are concurrently filed and sent to each security holder of the Company that is resident in Canada;
- (iii) the Company files a written notice, prepared and executed in accordance with securities laws, that it is relying on the exemption in Section 2.1.2. of National Instrument 45-106 — Prospectus Exemptions and a certificate, signed by an officer or director of the Company, that states that, to the knowledge of the officer or director of the Company signing the certificate after reasonable inquiry, (i) the number of beneficial holders of Shares for which the Rights Shares are issued that are resident in Canada does not constitute 10% or more of all holders of the Shares, and (ii) the number of Shares for which the Rights Shares are issued that are beneficially held by security holders that are resident in Canada does not constitute, in the aggregate, 10% or more of the outstanding Shares; and
- (iv) the Rights Shares issued pursuant to the exercise of the rights will be subject to restrictions on resale so that a prospectus may need to be filed in Canada for a subsequent trade in Canada or the Rights Shares must be traded in reliance on a prospectus exemption, unless certain conditions apply.

Given the restrictions on resale and potential costs of satisfying these conditions and the uncertainty as to how long that might take it is considered necessary or expedient to exclude Overseas Shareholders with registered addresses in Canada from the Rights Issue.

Malaysia

The Prospectus Documents are deemed to be a prospectus under the Malaysian Capital Markets and Services Act 2007 in so far as it relates to the liability of the person or his agent for any statement or information that is false or misleading or from which there is a material omission. The Rights Issue could be made available to Overseas Shareholders with registered addresses in Malaysia if the Prospectus Documents are deposited with the Securities Commission Malaysia within the prescribed period.

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Given the potential cost of satisfying such requirement, it is considered necessary or expedient to exclude Overseas Shareholders with registered addresses in Malaysia from the Rights Issue.

Singapore

Under section 257 of the Securities and Futures Act (Cap. 289) of Singapore, if pursuant to the Rights Issue, the Company allots or agrees to allot to any person any Shares with a view to all or any of them being subsequently offered for sale to another person and such subsequent offer does not qualify for the prescribed exemptions in the Securities and Futures Act (Cap. 289) of Singapore, then any document by which the subsequent offer is made will for all purposes be deemed to be a prospectus issued by the Company, and the Company will be deemed to be the person making the offer, and all written laws and rules of law as to the contents of prospectuses and to liability in respect of statements and non-disclosure in prospectuses, or otherwise relating to prospectuses, will apply and have effect accordingly, *inter alia*, as if an offer of securities has been made. It will, unless the contrary is proven, be sufficient evidence that an allotment of (or an agreement to allot) securities was made with a view to the securities being subsequently offered for sale if it is shown that (a) an offer of the securities or any of them for sale was made within 6 months after the allotment or agreement to allot, or (b) at the date when the offer was made, the whole consideration to be received by the Company in respect of the securities had not been so received.

Given the restrictions on resale and potential costs of satisfying these conditions and the uncertainty as to how long that might take it is considered necessary or expedient to exclude Overseas Shareholders with registered addresses in Singapore from the Rights Issue.

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USA

Under the federal securities laws in the USA, the Rights Shares could be exempt from registration requirements but only if amongst other things:

- (i) the Rights Shares offered to persons in the USA are subject to restrictions on transferability and resale that permit transfer and resale only in compliance with certain laws of the USA; or
- (ii) the Company submits to the U.S. Securities and Exchange Commission a copy of the Prospectus Documents and the Company submits to USA court jurisdiction for at least six years in relation to any lawsuits that might be brought in relation to the Rights Issue.

Given the potential costs and the impracticability of complying with these conditions, it is considered necessary or expedient to exclude Overseas Shareholders with registered addresses in the USA from the Rights Issue.

The Company will send this prospectus to the Excluded Shareholders for their information only, but will not send any PAL and EAF to them. Receipt of a copy of this prospectus does not and will not constitute an offer to the Excluded Shareholder(s).

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 during the period from Wednesday, 24 November 2021 to Wednesday, 1 December 2021 if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Excluded Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Excluded Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholder(s) will be made available for excess applications by Qualifying Shareholders under the EAF(s).

It is the responsibility of any person (including but without limitation to any nominee, custodian, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is deemed to make this representation and warranty.

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Subscription Price

The Subscription Price for the Rights Shares is HK\$0.10 per Rights Share and 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 renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 7.4% to the closing price of HK\$0.108 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 2.04% to the closing price of HK\$0.092 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 6.38% to the average of the closing prices of approximately HK\$0.094 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 7.53% to the average of the closing prices of HK\$0.093 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day; and
- (e) a premium of approximately 11.1% to the unaudited net asset value per Share of approximately HK\$0.09 (based on the latest published consolidated net asset value of the Group of approximately HK\$64,095,000 as at 30 June 2021 as disclosed in the annual report of the Company for the year ended 30 June 2021 and 683,830,848 Shares in issue as at the Latest Practicable Date).

There is no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) given that the theoretical diluted price of HK\$0.099 per Share is higher than the benchmarked price of HK\$0.094 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\$0.092 per Share and the average closing prices of the Shares as quoted on the Stock Exchange in the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.094 per Share). Based on the closing price of HK\$0.108 per Share as quoted on the Stock Exchange on the Latest Practicable Date, there is a theoretical dilution effect of approximately 3.84%.

The Subscription Price was set at a premium to the then prevailing closing prices of the Shares with the intention to avoid share value dilution and therefore enhance the share value of the Company. The terms of the Rights Issue, including the Subscription Price, were determined after arm's length negotiations between the Company and the Underwriters, taking into account, among

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others, the following factors: (i) the prevailing share price of the Company; (ii) the latest business performance and financial position of the Group; and (iii) the funding and capital needs of the Company.

In determining the terms of the Rights Issue, the Company strives to set a reasonable subscription price that reflects a balance between the inherent value and the market price of the Shares. While the Rights Issue is fully underwritten by the Underwriters, an existing Shareholder may make an informed decision in electing to accept or decline part of or all of his/her/its provisional allotment of nil paid Rights Shares. The Underwriters would be accepting the Rights Shares on the same price as any other Qualifying Shareholder.

The Directors consider that, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 75.00%.

The Directors are of the view that the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that all Qualifying Shareholders are treated equally.

The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) will be approximately HK\$0.097.

Status of the Rights Shares

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

Fractions of Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

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Share certificates and refund cheques for the Rights Shares

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched on or before Tuesday, 14 December 2021 by ordinary post to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to their registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be despatched on or before Tuesday, 14 December 2021 by ordinary post to their registered addresses as aforesaid at the respective applicants' own risks. Each Shareholder will receive one share certificate for all allotted Shares.

Procedure for acceptance and payment or transfer

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the 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, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Monday, 6 December 2021. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Champion Technology Holdings Ltd — Provisional Allotment Account**" 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 Monday, 6 December 2021, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. 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. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part/all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Friday, 26 November 2021 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the

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surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of the rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment 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 with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferees, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. For avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. 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.

Save as described under the paragraph headed "Rights of the Overseas Shareholder(s)" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this prospectus, a PAL or an EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess 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 outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares as to the full observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Shareholders should consult their own professional advisers if it doubt. For avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

If the Underwriters exercise the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not satisfied and/or waived (if applicable) by the Latest Time for Acceptance, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without

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interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Tuesday, 14 December 2021.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders, and for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications for excess Rights Shares can be made by the Qualifying Shareholders only and only by completing and signing an EAFs (in accordance with the instructions printer therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the Latest Time for Acceptance.

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

- (a) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (b) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (c) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (d) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder or its associates (together, the "**Relevant Shareholders**'"), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders' applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under PALs 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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If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on applications in respect of the excess Rights Shares being applied for with the Registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong at or before 4:00 p.m. on Monday, 6 December 2021. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashiers orders must be issued by, licensed bank in Hong Kong and made payable to "**Champion Technology Holdings Ltd — Excess Application Account**" and crossed "**Account Payee Only**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on Monday, 13 December 2021.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Where the number of excess Rights Shares applied for under one EAF is larger than the total number of Rights Shares being offered under the Rights Issue, being 2,051,492,544 Rights Shares, such application (other than from a nominee company) would be treated as invalid and be rejected. If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full by ordinary post by the Registrar at his own risk on or before Tuesday, 14 December 2021. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his own risk on or before Tuesday, 14 December 2021.

If the Underwriters exercise the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue set out in the paragraph headed "Conditions of the Rights Issue" below is not satisfied and/or waived (if applicable) by the Latest Time for Acceptance, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post at the risk of such applicants to their registered addresses by the Registrar on or before Tuesday, 14 December 2021.

All cheques or cashiers orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation of the Company that all registration, legal and regulating requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied will

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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, any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. 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. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess 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 outside Hong Kong wishing to make an application for the excess Rights Shares to satisfy itself/himself/herself before acquiring any rights to subscribe for the excess Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. The Company reserves the right to refuse to accept any application for the excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Change in Board Lot Size, the Company has appointed Get Nice Securities Limited, as a designated broker to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Wednesday, 15 December 2021 to Wednesday, 5 January 2022 (both days inclusive). Shareholders who wish to take advantage of this service should contact Mr. Larry H.S. Ng of Get Nice Securities Limited by phone at (852) 2526-7868 or by fax at (852) 2522-5437 during office hours of such period. Any odd lots not successfully matched will be repurchased by the Company at a reasonable discount subject to the acceptance by such odd lots holders. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares i.e. 6,000 Shares in one board lot.

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Subject to the granting of approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, 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.

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

THE UNDERWRITING AGREEMENT

Subject to the terms of the Underwriting Agreement, the Underwriters has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by the Committed Shareholders pursuant to the Shareholder Irrevocable Undertakings. Set out below is a summary of the principal terms of the Underwriting Agreement and relevant information.

Date	:	18 May 2021 (after trading hours)
Underwriters	:	(i) Get Nice Securities Limited (ii) Kingston Securities Limited Please refer to the paragraph headed “Information about the Underwriters” below for further details.
Total number of Rights Shares to be underwritten by the Underwriters	:	Up to 1,719,723,294 Rights Shares (being all Rights Shares under the Rights Issue other than those Rights Shares to be taken up by the Committed Shareholders under the Shareholder Irrevocable Undertakings) among which approximately 59.30% shall be underwritten by Get Nice Securities Limited and approximately 40.70% shall be underwritten by Kingston Securities Limited

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Commission : The Underwriters will receive 2.5% of the aggregate Subscription Price of the Underwritten Shares as underwriting commission

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiations between the Company and the Underwriters with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions.

The Directors are of the view that the terms of the Underwriting Agreement and the transactions contemplated thereunder, including the commission rate, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Shareholders Irrevocable Undertakings

The Committed Shareholders comprise of Worldwide Peace Limited and Ms. Wong Man Winny, the executive Director and chairperson of the Company.

As at the Latest Practicable Date, the Committed Shareholders are beneficially interested in an aggregate of 110,589,750 Shares, representing approximately 16.17% of the existing issued share capital of the Company. Pursuant to the Shareholder Irrevocable Undertakings, the Committed Shareholders have provided irrevocable and unconditional undertakings to the Company and the Underwriters to, among other things, (i) accept their entitlements to the provisional allotment of an aggregate of 331,769,250 Rights Shares, respectively; (ii) not to sell or transfer the Shares held by them in any manner before the completion or lapse of the Rights Issue.

Save for the Shareholder Irrevocable Undertakings given by each of the Committed Shareholders, as at the Latest Practicable Date, the Board has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

Termination of the Underwriting Agreement

Details of the rights of the Underwriters to terminate its obligation to underwrite the Rights Shares under the Underwriting Agreement are set out in the section headed "Termination of the Underwriting Agreement" in this prospectus.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the passing of ordinary resolution(s) by the Shareholders at the SGM approving the Increase in Authorised Share Capital;

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- (b) the passing of ordinary resolution(s) by the Independent Shareholders at the SGM to approve (i) the Rights Issue; and (ii) the Underwriting Agreement and the transactions contemplated thereunder;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (d) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (WUMP) Ordinance and where necessary, the filing of all documents relating to the Rights Issue with the Registrar of Companies in the Bermuda in accordance with the Companies Act of the Bermuda;
- (e) the posting of this prospectus to the Shareholders on the Company's registrar of members and the posting of PAL and EAF to the Qualifying Shareholders;
- (f) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (g) the Underwriters having received the undertaking letters duly executed by each of the Committed Shareholders; and
- (h) the Underwriting Agreement not being terminated by any of the Underwriters pursuant to the terms and conditions therein.

If the conditions of the Underwriting Agreement are not satisfied and/or waived in whole or in part by the Underwriters by the Latest Time for Acceptance or such later date or dates as the Underwriters may agree with the Company in writing, the Underwriting Agreement shall terminate and (save in respect of any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

As at the Latest Practicable Date, condition (a), (b) and (g) above have been fulfilled.

If the Underwriting Agreement does not become unconditional or is terminated or if any of the above conditions is not satisfied or waived (as the case may be), the Rights Issue will not proceed.

LETTER FROM THE BOARD

Information about the Underwriters

Get Nice Securities Limited is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO.

Kingston Securities Limited is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO.

Reference is made to the joint announcements published by the Company and Kantone dated 25 August 2021, 15 September 2021 and 9 November 2021, in relation to, among others, the possible mandatory unconditional cash offer by Kingston Securities Limited for and on behalf of Innovative City to acquire all the issued Kantone Shares.

Completion of the Disposal took place on 9 November 2021. Kingston Securities Limited act as the agent making the mandatory unconditional general cash offer for and on behalf of Innovative City, to acquire all of the Kantone Shares (other than those already owned and/or agreed to be acquired by Innovative City) pursuant to Rule 26.1 of the Takeovers Code. Furthermore, Kingston Corporate Finance Limited, an associated corporation of Kingston Securities Limited, is the financial adviser to Innovative City regarding the possible mandatory unconditional general cash offer.

Saved as disclosed above, each of the Underwriters confirmed that (i) it is independent of and not connected with the Company or its connected persons; and (ii) it has complied with Rule 7.19(1)(a) of the Listing Rules that it is licensed under the SFO for type 1 regulated activity and its ordinary business includes underwriting of securities. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriters and its respective ultimate beneficial owner(s) and/or associates are Independent Third Parties.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 683,830,848 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only and without taking into account the allocation of any excess Rights Shares, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholders who have provided Shareholder Irrevocable Undertakings:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholders who have provided Shareholder Irrevocable Undertakings (Note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Connected persons						
Ms. Wong Man Winny (Note 2)	110,589,750	16.17	442,359,000	16.17	442,359,000	16.17
Mr. Liu Ka Lim	498,000	0.07	1,992,000	0.07	498,000	0.02
Sub-total of connected persons	111,087,750	16.24	444,351,000	16.24	442,857,000	16.19
The Underwriters (Note 4)						
Get Nice Securities Limited (Note 5)	—	—	—	—	209,723,294	7.67
Kingston Securities Limited	455	0.00	1,820	0.00	700,000,455	25.59
Other public shareholders	572,742,643	83.76	2,290,970,572	83.76	1,382,742,643	50.55
Total	<u>683,830,848</u>	<u>100.00</u>	<u>2,735,323,392</u>	<u>100.00</u>	<u>2,735,323,392</u>	<u>100.00</u>

Notes:

- The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.
- These shares of the Company have been held by Worldwide Peace Limited, which is wholly owned by Ms. Wong Man Winny, the executive Director and chairperson of the Company.
- This scenario is for illustrative purpose only and without taking into account the allocation of any excess Rights Shares.
- Pursuant to the Underwriting Agreement, each Underwriter shall ensure, among others, the public float requirements under the Listing Rules are fulfilled by the Company upon completion of the Rights Issue.

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5. Three licensed brokers have each agreed to sub-underwrite 270 million Rights Shares under sub-underwriting agreements with Get Nice Securities Limited.

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

As at the Latest Practicable Date, each of Get Nice Securities Limited and Kingston Securities Limited is interested in nil and 455 Shares, representing nil and approximately 0.00% of the issued share capital of the Company.

If each of the Underwriters is required to take up any Rights Shares pursuant to its respective underwriting commitment in connection with the Rights Issue and/or pursuant to its application for any excess Rights Shares that may be accepted by the Company, Get Nice Securities Limited may trigger an obligation to make a mandatory offer. For illustration purpose, upon completion of the Rights Issue, assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholders who have provided Shareholder Irrevocable Undertakings, Get Nice Securities Limited will be required to subscribe for 1,019,723,294 Rights Shares, which will result in Get Nice Securities Limited holding 1,019,723,294 Shares, representing approximately 37.28% of the enlarged issued share capital of the Company upon completion of the Rights Issue, thereby triggering an obligation for Get Nice Securities Limited to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already held or agreed to be acquired by it. However, Get Nice Securities Limited has indicated to the Directors that it would arrange for sub-underwriters to sub-underwrite sufficient portion of the Rights Shares to avoid the occurrence of such situation.

Pursuant to the Underwriting Agreement, each Underwriter shall ensure that (i) sub-underwriter(s), if any, is individual(s) or a company(ies) who/which is/are Independent Third Party(ies); (ii) the public float requirements under the Listing Rules are fulfilled by the Company upon completion of the Rights Issue; (iii) it shall not, together with party(ies) acting in concert with it, hold 20% or more of the voting rights of the Company upon completion of the Rights Issue; and (iv) sub-underwriters and placees procured by them, together with parties acting in concert with each of them, will not hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

As at the Latest Practicable Date (i) Get Nice Securities Limited confirmed that it has entered into sub-underwriting agreements with three licensed brokers to sub-underwrite 270 million Rights Shares each; and (ii) Kingston Securities Limited confirmed that it has not entered into any sub-underwriting agreement to sub-underwrite any of the Rights Shares that it will need to underwrite.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the trading and transportation of gasoil and trading of cultural products, system sales including renewable energy systems and the related engineering work, software development and licensing and customisation, leasing of system products and strategic investment.

The estimated net proceeds from the Rights Issue will be approximately HK\$198 million (equivalent to a net price of approximately HK\$0.097 per Rights Share) which will be used as follows:

- (i) as to approximately HK\$126 million, representing approximately 63.6%, for part repayment of the GFL Loan^{Note (1)};
- (ii) as approved by the Independent Shareholders at the SGM, as to approximately HK\$44 million, representing approximately 22.2%, for the Repayment; and
- (iii) as to approximately HK\$28 million, representing approximately 14.2%, for enhancing the operating cash flows of the Group to facilitate its business of oil trading, renewable energy and IT projects on an ongoing basis, the composition of which may vary from month to month due to the different settlement dates of the relevant receivables and payables as new transactions occur.

Note:

- (1) The remaining balance of the GFL Loan in the amount of approximately HK\$59 million will be repaid with the net proceeds from the Disposal of approximately HK\$56 million and general working capital of the Group of approximately HK\$3 million.

The Company entered into a facility agreement (as supplemented and amended) with GFL on 12 June 2017 for a term loan of HK\$305,000,000. To the best knowledge of the Directors, GFL was owned as to 99% by Easy Fame Investment (HK) Limited which was 100% owned by Fully Chance Group Development Limited, which was in turn wholly owned by Lin Ho Man. To the best knowledge of the Directors, GFL and its ultimate beneficial owner were not connected persons of the Company at the material time and as at the Latest Practicable Date. As at the Latest Practicable Date, the outstanding principal amount of the GFL Loan was HK\$126,000,000. The interest rate of the GFL Loan was 13% per annum and the due date of repayment of the GFL Loan is 7 October 2022. The original due date of repayment of the GFL Loan was 4 July 2018 which was subsequently extended for six times with partial repayment of principal amounting to HK\$120 million. The latest extension was obtained by the Company on 7 July 2021 to extend the due date of repayment from 7 April 2022 to 7 October 2022. The Company's original repayment plan was to repay the GFL Loan on 7 October 2022. Such plan was changed after taking into account the saving of approximately HK\$2 million interest cost per month which can enhance the Group's profitability.

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The actual use of the GFL Loan was as follows:

- (i) approximately HK\$200,000,000 was used for repayment of the loan (the “**SSFL Loan**”) from Southwest Securities (HK) Finance Limited (“**SSFL**”);
- (ii) approximately HK\$30,000,000 was used as part of the consideration for the acquisition of 51% equity interest of Golden Field Property Limited that indirectly owns a hotel in Dongguan through a PRC subsidiary as disclosed in the announcement of the Company dated 19 July 2017;
- (iii) approximately HK\$39,900,000 was used for interest payment of the GFL Loan (up to the year ended 30 June 2018); and
- (iv) approximately HK\$30,000,000 was used for securities investment (the “**Securities Investment**”).

According to the disclosure of interests forms of substantial shareholders filed on 9 March 2017, SSFL was wholly owned by Southwest Securities International Securities Limited, which is in turn owned as to 74.22% by 西南證券股份有限公司 (Southwest Securities Co., Ltd.*), which was in turn owned as to 26.99% by 重慶渝富資產經營管理集團有限公司 (Chongqing Yufu Asset Management Group Co., Ltd.*). To the best knowledge of the Directors, SSFL and its ultimate beneficial owner were not connected persons of the Company at the material time. The Company entered into a loan agreement with SSFL on 7 March 2017 and the total principal amount of the SSFL Loan was HK\$200,000,000. The interest rate of the SSFL Loan was 16% per annum and the due date of repayment of the SSFL Loan was 6 July 2017. The actual use of the SSFL Loan was as follows:

- (i) HK\$170 million was used to repay the loan due to Lawnside International Limited (“**Lawnside**”) in 2017 as the Company was then demanded to repay the loan forthwith given that the loan was repayable on demand. As disclosed in the 2016 annual report of the Company, 1,766,860,957 shares of the Company were held by Lawnside which was then beneficially wholly owned by Mr. Paul Kan Man Lok. As at 30 June 2016, Mr. Paul Kan Man Lok and Mr. Leo Kan Kin Leung were also directors of Lawnside. The original principal amount of the loan was HK\$170 million which was unsecured, non-interest bearing and had no fixed term of repayment and was repayable on demand. The loan from Lawnside was used for repayment of bank loans of the Group. As the financial assistance received by the Company under the loan from Lawnside was on normal commercial terms (or better terms to the Company) and was not secured by any assets of the Company, the loan from Lawnside was fully exempted from the shareholders’ approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules;
- (ii) approximately HK\$10.7 million was used to pay four-months interests under the SSFL Loan;

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- (iii) approximately HK\$11.25 million was used to acquire cultural products on 10 March 2017 which was then sold on 2 June 2017 with a profit of approximately HK\$3 million;
- (iv) approximately HK\$7.8 million was used for payment of long service payment expenses to the then resigning employees. Save for the payment of long service payment expenses which amounted to HK\$197,000, HK\$105,000 and HK\$136,000 which were paid to Mr. Paul Kan Man Lok, Mr. Leo Kan Kin Leung and Mr. Lai Yat Kwong respectively, who were all former executive Directors, all of the other resigning employees were Independent Third Parties; and
- (v) approximately HK\$250,000 were used for general working capital.

The overall aggregate return from the Securities Investment since the Company has obtained the GFL Loan in 2017 was approximately HK\$19.9 million. All of the Securities Investment had already been sold as at the Latest Practicable Date. For the year ended 30 June 2019, the Company recorded fair value loss of HK\$33 million on financial assets at fair value through profit or loss. The fair value loss represented the loss arising from the fair value change as at the relevant year end. The Board considered that obtaining the GFL Loan and using part of the GFL Loan for the Securities Investment was in the interest of the Company and the Shareholders given that it was the only available option for the Company at that time, and the GFL Loan was necessary to satisfy the cash needs of the Company at that time. The Company's investment decisions were made by the investment committee established which is governed by a written terms of reference. The Company's investment strategy is to establish an investment portfolio with good potential to bring positive return to the Company.

The Board considers that despite the Disposal, the Company has a need to conduct the Rights Issue as the proceeds from the Rights Issue is intended mainly for the part or full settlement of the GFL Loan as explained above. The settlement of the GFL Loan will improve the liquidity of the Group. As such, the Group's resources may be efficiently utilised to develop the renewable energy business as well as the technology and oil trading business of the Group. The Remaining Group may use part of the funds raised from the Rights Issue to fully settle the Promissory Note of HK\$44 million so that the Remaining Group will become debt free.

The cash level of the Remaining Group was approximately HK\$14.7 million as at the Latest Practicable Date. It is expected that the cash level of the Remaining Group as at 31 December 2021 will be approximately HK\$44 million assuming that the Rights Issue will proceed and approximately HK\$13 million assuming that the Rights Issue will not proceed. Furthermore, given the completion of the Disposal, the cash level of the Company was approximately HK\$1.4 million as at the Latest Practicable Date assuming that the Rights Issue will not proceed.

The Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective

LETTER FROM THE BOARD

pro rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The Directors have considered other financing alternatives apart from equity financing such as debt financing. However, debt financing will incur interest burden and increase the gearing ratio of the Group. The Group is currently high on borrowing. The Group had borrowings comprising a loan of HK\$126 million and Promissory Note payable of approximately HK\$44 million as of the Latest Practicable Date. As disclosed in the announcement of the Company dated 23 June 2019, a wholly-owned subsidiary of the Company issued a promissory note dated 21 June 2019 which was unsecured, payable in full after one month of issue together with interest at the rate of 0.5% per month on the principal amount of US\$4,200,000 (equivalent to approximately HK\$32,760,000) as the consideration for the acquisition of an oil tanker. Such promissory note was settled in full on 19 July 2019. Such promissory note was structured to allow sufficient time for the Company to arrange the necessary funding while striking the deal at the same time to meet the request of the vendor. Also, it is extremely difficult to obtain other debt financing opportunities with favourable terms with interest rates lower than the current level. Therefore, the Board considers that equity financing, in particular, the Rights Issue would be the best option as it will not lead to immediate dilution in the shareholding interests of existing Shareholders. The Rights Issue will increase the equity base of the Company and give the Shareholders equal chance to maintain their respective pro-rata shareholding interests in the Company. Also, the Rights Issue can reduce the interest burden and lower the gearing level of the Group. Hence, the Company considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The estimated expenses of the Rights Issue are about HK\$7 million, which include underwriting commission and professional fees payable to lawyers, reporting accountants, financial printer and other parties involved in the Rights Issue and will be borne by the Company.

As at the Latest Practicable Date, the Board has no intention or plan to conduct other equity fund raising activities in the next 12 months. However, if there shall arise any change of the Group's current circumstances and existing business plans and that the net proceeds from the Rights Issue may not satisfy such upcoming financing needs, the Board does not rule out the possibility that the Company may conduct further equity fund raising exercises to support such future developments of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

FUND RAISING ACTIVITIES OF THE COMPANY INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company had not conducted any fund raising activities involving the issue of securities in the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

WARNING OF RISKS OF DEALING IN SHARES

Existing Shares have been dealt in on an ex-rights basis from Wednesday, 10 November 2021. The Rights Shares in their nil-paid form are expected to be dealt in from Wednesday, 24 November 2021 to Wednesday, 1 December 2021 (both days inclusive). If the Underwriters terminate the Underwriting Agreement, or the conditions are not fulfilled, the Rights Issue will not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares and/or the Rights Shares in their nil-paid form during the aforesaid period who is in any doubt about his/her positions is recommended to consult their own independent professional advisers.

Any Shareholders or other persons contemplating selling or purchasing the Shares and/or the Rights Shares up to the date when the conditions of the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Tuesday, 7 December 2021) will accordingly bear the risk that the Rights Issue could not become unconditional and may not proceed.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendixes to this prospectus.

Yours faithfully,
By order of the Board
CHAMPION TECHNOLOGY HOLDINGS LIMITED
Wong Man Winny
Chairperson

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 30 June 2019, 2020 and 2021 are disclosed in the annual reports of the Company for the years ended 30 June 2019, 2020 and 2021. These annual reports are published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.champion.hk>).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 October 2021, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this prospectus, the Group had indebtedness totalling approximately HK\$243,469,000 comprising the following:

	Approximate <i>HK\$'000</i>
Other interest-bearing borrowing, secured and guaranteed	185,000
Amount due to a director, unsecured	2,330
Principal amount of Promissory Note payable, unsecured	44,000
Other payables, unsecured	7,563
Lease liabilities, unsecured	<u>4,576</u>
	<u><u>243,469</u></u>

Securities

- (a) As at 31 October 2021, the other interest bearing borrowing of the Group of HK\$185,000,000 was secured by personal guarantee provided by Ms. Wong Man Winny (an executive Director and chairperson of the Board and the existing guarantor), the share charge in respect of 128,137,958 shares of Kantone (representing approximately 59.04% of its entire issued share capital) and additional collaterals with details below:

As disclosed in announcement dated 4 November 2020 of the Company, in view of the fact that GFL's security interest in the shares of Kantone has been diluted as a result of the placing of shares of Kantone (as announced by the Company on 6 May 2020 and 18 May 2020) and that GFL agreed to extend the repayment date of the GFL Loan to 7 October 2021, the GFL requested the Company to provide additional collaterals to the GFL.

Accordingly, on 4 November 2020, the Company, Ms. Wong Man Winny and GFL entered into a second supplemental deed (the “**Second Supplemental Deed**”) pursuant to which the Company shall provide additional collaterals to GFL, including the following share charges (collectively, the “**Share Charges**”) in respect of the shares of certain subsidiaries of the Group which were executed on the same day by the Group in favour of GFL:

1. the share charge in respect of all issued shares in Champion Energy Logistics Co Ltd, which is the sole legal and beneficial owner of the Panamanian ship, i.e. Distinction 01 with IMO No. 9040455 valued at approximately HK\$29 million as at 30 June 2020;
2. the share charge in respect of all issued shares in Champion Luck International Limited, which is the sole legal and beneficial owner of the property situated at Room 703, 1188 Shangchuan Road, Shanghai, PRC valued at approximately HK\$3.9 million as at 30 June 2020;
3. the share charge in respect of all issued shares in Champion Million Industries Limited, which is the sole legal and beneficial owner of the property situated at Room 702, 1188 Shangchuan Road, Shanghai, PRC valued at approximately HK\$3.8 million as at 30 June 2020; and
4. the share charge in respect of all issued shares in Champion Pacific Investment Limited, which is the sole legal and beneficial owner of the property situated at Room 8A, Tianji Building F4.8, Tianan Chegongmiao Industrial Zone, Futian District, Shenzhen, PRC valued at approximately HK\$33 million as at 30 June 2020.

The share charge in respect of all issued shares in Champion Energy Logistics Co Ltd was then released on 26 February 2021.

- (b) As at 31 October 2021, the outstanding principal amount of the Promissory Note was HK\$44,000,000 and the amortised cost of the Promissory Note was approximately HK\$39,942,000 as at 31 October 2021.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 31 October 2021, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, term loans, debt securities, other similar indebtedness, hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, after taking into account the estimated net proceeds from the Rights Issue, its presently available financial resources, including funds internally generated from operation and the available facilities, the Group will have sufficient working capital for its operation for at least the next twelve months from the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position or outlook of the Group since 30 June 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS

The business objectives of the Group are to develop its business so as to achieve sustainable growth. The Group aims to achieve such objectives by pursuing the following growth-oriented strategies:

Oil Trading Business of the Group

Unlike other trading business, the oil trading business is highly sophisticated with high entry barrier and therefore is uniquely restricted to a small group of traders, suppliers and buyers. The Group has been gradually gaining experience in building its reputation in the oil trading industry that the Group has experience of sufficient length and there is a need to build a good reputation in order to gain more access to major oil suppliers. The Group's management has been meeting major oil suppliers from time to time to foster closer relationship with them with the aim of enlarging the Group's oil procurement capability.

During the fiscal year 2021, the management of the Company shared the same view as stated by the Organisation of Economic Co-operation and Development (OECD) that containment measures and economic disruptions related to the COVID-19 outbreak led to a reduction in production and mobility worldwide, resulting in a significant drop in global demand for oil. Further, as the oil tanker was approaching 29 years old in the fiscal year 2021, there was growing pressure to decarbonize, impacting engine design and fuel choice. Inevitably, the costs of maintenance would continue to escalate, eroding further into the Company's profitability. Due to high maintenance costs and the age of the oil tanker, the Directors believed that the disposal of the oil tanker represented a good opportunity for the Group to realise the value of the oil tanker at a reasonable price. Based on that, in February 2021, the Group's management made the commercially sensible decision to dispose of its oil tanker in order to avoid incurring further losses due to the impact of COVID-19 which is beyond the control of any company or country, and to avoid having to pay the high

maintenance costs for the oil tanker of such age. The proceeds on disposal of the oil tanker was applied towards reducing the interest-bearing loan to save interest cost of about HK\$1,950,000 per annum.

The management decided to sell its oil tanker and has since temporarily suspended the shipping business. Since then, the management has been assessing the gasoil market and the oil tanker market so as to decide whether and when it should acquire a replacement tanker.

As such, the management maintains the view that the gasoil market would pick up again when the negative impact of COVID-19 subsides or materially alleviates. The Group should therefore gather sufficient working capital to catch such a wave since the trading business would be profitable if turnover is high enough. The good thing about oil trading is that if more cash is ready, the more profits are available. This is because the Group would be able to source oil gas in larger quantities, which would give the Group a stronger bargaining power to negotiate for a lower unit purchase cost from the suppliers and more favorable credit terms. Therefore, the Group's management is minded to restructure its financial position and grasp fund raising opportunities to enhance its working capital strength. On this basis, the Board considers that the oil trading business is a business which has substance and is viable and sustainable.

Technology Business — Renewable Energy

The renewable energy business of the Group should have entered into its harvesting period during the year ended 30 June 2021 as many customers have responded positively to the Group's designs after seeing the show cases. However, COVID-19 has significantly and adversely impacted the renewable energy business since January 2020.

The impact of COVID-19 on the renewable energy business was mainly due to the delay of the approval procedures from the electric companies since the customers were reluctant to attend any physical meeting with the staff of the Group and the electric companies, which reduced not only the volume of businesses but also delayed the completion schedule of the ongoing projects.

Officers of the electric companies who were responsible for approving the FiT applications were unable to inspect the sites and approve the installation due to the work-from-home and social-distancing arrangements. Moreover, some landlords of village houses and incorporated owners of buildings refused visits of their premises for the inspection and collection of data due to the fear of potential exposure to COVID-19 infection. This has adversely affected the progress of solar power system promotion and installation.

However, the situation has become better since June 2021 when the epidemic measures were gradually relieved and numbers of confirmed case in Hong Kong were reduced, the COVID-19 negative impact to the Group also alleviated.

The management has been proactively seeking new businesses opportunities in:

A: *Projects of Large Scale Solar Photovoltaic Systems (“SPV Systems”)*

The Group has been enlarging its focus on owners of large pieces of vacant land ranging from 600,000 sq. ft to more than 1,000,000 sq. ft. that provide good prospects for large scale installation of SPV Systems as well as aquaponic systems.

Vacant land in Hong Kong has a particular feature that many of them are owned by single owner or single family and therefore saving the need to gather numerous owners for meetings and seeking approvals. The use of vacant land to generate solar energy under the FiT scheme has enabled the Group to avoid the need to install structural stands for solar panel frames, such approach also helps to avoid much the trouble of visiting client’s place of living during this severe period of COVID-19 which many people tend to avoid.

B: *Market reputation*

The Group will target more on those SPV projects initiated by reputable enterprises including one of largest property in Hong Kong. Those cases would also serve as an endorsement of the quality of the Group’s applied technology, and would thus further enhance the Group’s market reputation.

Technology Business — System Products

Following the recruitment of technology and engineering specialists in 2018, the Group started to build its own IoT, critical messaging, aquaponic systems and photovoltaic systems. All these research and development have been successful, leading to the launch of the Group’s own products since 2019. At the present moment, the Group is still recruiting capable IT and engineering specialists to join its workforce. The Group has its own project team made up of 8 full time employees and 1 part time UI-UX designer, comprising IT experts, programmers, engineers, procurement specialists, electric technicians etc., reporting to senior management who are qualified professionals.

With the effort the Group’s project team, the Group invented at least seven system products and numerous modified solar energy transformation designs of its own since FY2019 and started to sell its own systems products again since FY2020 commanding its own features which are less expensive and yet able to generate higher energy efficiency. Among which, the Group made a technology sharing of its self-invented Simultaneous Massive Smart Body Temperature Detection System with Kantone’s UK subsidiary in October 2020, enabling Kantone’s subsidiary company in UK to open a new product line in UK that has started generating revenue. No fees would be receivable on the technology sharing of the Simultaneous Massive Smart Body Temperature Detection System with Kantone’s UK

subsidiary and the Company does not expect there to be any changes after the Disposal. The sharing of the technology is made with the expectation of building an amicable cooperation atmosphere and pave way for future collaboration on other projects of the Group.

Without the social unrest in 2019 and the COVID-19 pandemic since January 2020, the Group's business should have been much more fruitful and rewarding. The social unrest in 2019 led to economic stagnation in Hong Kong and the quarantine measures and economic disruptions related to the COVID-19 outbreak further worsened the situation in Hong Kong and led to a slowdown in production and mobility. The existing renewable energy business plan was originally scheduled to be launched in July 2019 instead of June 2021, when it could finally be launched as the social distancing policy were being relaxed gradually. The same is true for promoting the system products which should cover the Greater Bay Area in addition to Hong Kong. The social unrest and the COVID-19 created social distancing constraints for the business world since a lot of restaurants, function venues and hot spots for gatherings were forced to close or became inaccessible, and many main roads were stagnant if not totally blocked, rendering it difficult and dangerous for the staff to conduct seminars or give live demonstrations to the potential customers.

The social unrest problem is now resolved and quarantine measures related to the COVID-19 is gradually relieved, the Remaining Group has benefitted and will definitely continue to benefit from it, and this is reflected in the Profit Forecast as stated in the letter from the Board in this prospectus. For example, as mentioned above, the Remaining Group is able to resume the visits to sites that are suitable for installation of solar power system and accompany staff of electric companies to inspect the site and assist them in approving the installations.

The Group will be formulating plans to commercialize the above inventions and put them into the market in the foreseeable future.

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

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors 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**”) to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 June 2021.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Rights Issue or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2021, as extracted from the published audited consolidated statement of financial position as at 30 June 2021, and is adjusted for the effect of the Rights Issue described below:

Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2021	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue	Unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2021 per Share in issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue per Share adjusted
<i>HK\$'000</i> <i>(Note 1)</i>	<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i>	<i>HK cents</i> <i>(Note 3)</i>	<i>HK cents</i> <i>(Note 4)</i>
Rights issue of 2,051,492,544 Rights Shares at a Subscription Price of HK\$0.10 per Rights Share	(6,967)	198,225	(1.0)	7.0

Notes:

1. The amount of audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2021 is extracted from the Group's published audited consolidated financial statement for the year ended 30 June 2021.
2. The estimated net proceeds from the Rights Issue of approximately HK\$198,225,000 are calculated based on 2,051,492,544 Rights Shares to be issued at Subscription Price of HK\$0.10 per Rights Share, after deduction of estimated expenses of approximately HK\$6,924,000 to be incurred by the Company, which include underwriting commission and professional fees payable to lawyers, reporting accountants, financial printer and other parties involved in the Rights Issue.
3. The calculation of the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2021 per Share in issue is determined based on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company of approximately HK\$6,967,000 divided by the number of Shares in issue of 683,830,848 as at 30 June 2021.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Right Issue per adjusted Share is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue of approximately HK\$191,258,000 divided by the adjusted number of Shares of 2,735,323,392 Shares, which represents 683,830,848 Shares in issue as at 30 June 2021 and 2,051,492,544 Rights Shares to be allotted and issued pursuant to the Rights Issue assuming that the Rights Issue had been completed on 30 June 2021.
5. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2021.

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

To the directors of Champion Technology Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Champion Technology Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2021, and related notes as set out on pages II-1 to II-2 of the prospectus dated 22 November 2021 (the “**Prospectus**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-5 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the rights issue of 2,051,492,544 rights shares (the “**Rights Shares**”) at the subscription price of HK\$0.1 per Rights Share on the basis of three Rights Shares for every one existing share in issue held on the record date (the “**Rights Issue**”) on the Group’s financial position as at 30 June 2021 as if the Rights Issue had taken place at 30 June 2021. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s audited consolidated financial statements for the year ended 30 June 2021, on which an audit report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Control

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

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

Reporting 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 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 Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2021 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' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

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

Moore Stephens CPA Limited

Certified Public Accountants

Pak Chi Yan

Practising Certificate Number: P06923

Hong Kong, 22 November 2021

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised share capital of the Company immediately following completion of the Rights Issue will be, as follows:

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>16,000,000,000</u>	<u>1,600,000,000</u>

The issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

<i>Issued and fully paid share capital:</i>	<i>HK\$</i>
683,830,848	Share in issue as at the Latest Practicable Date 68,383,084.8
<u>2,051,492,544</u>	Rights Shares to be issued upon completion of the Rights Issue <u>205,149,254.4</u>
<u>2,735,323,392</u>	<u>273,532,339.2</u>

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

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

The Shares are primarily listed on the Stock Exchange and all of the Rights Shares will be listed on the Stock Exchange. There is no arrangement under which future dividends are waived or agreed to be waived as at the Latest Practicable Date.

None of the capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests or short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executive of the Company were taken or deemed to have under section 344 of the SFO) or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of interest	Number of Shares held <i>(Note 1)</i>	Approximate percentage of interest
Ms. Wong Man Winny	Interest in controlled corporation	442,359,000 (L) <i>(Note 2)</i>	64.69%
Mr. Liu Ka Lim	Beneficial owner	498,000 (L)	0.07%

Notes:

1. The letter "L" represents the Director's long position in the shares of the Company.
2. These shares of the Company have been held by Worldwide Peace Limited, which is wholly owned by Ms. Wong Man Winny, the current chairperson and executive director of the Company. Ms. Wong Man Winny is deemed to be interested in the shares of the Company held by Worldwide Peace Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under section 344 of the SFO); (ii) entered in the register maintained by the Company pursuant to section 352 of the SFO, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry of the Directors, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares and/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:

Name of shareholder	Nature of interest	Number of Shares held <i>(Note 1)</i>	Approximate percentage of interest
Worldwide Peace Limited	Beneficial owner	442,359,000 (L) <i>(Note 2)</i>	64.69%
Get Nice Securities Limited	Underwriter	1,019,795,913 (L) <i>(Notes 3 and 4)</i>	37.28%
Get Nice Incorporated	Interest in controlled corporation	1,019,795,913 (L) <i>(Notes 3 and 4)</i>	37.28%
Get Nice Financial Group Limited	Interest in controlled corporation	1,019,795,913 (L) <i>(Notes 3 and 4)</i>	37.28%
Get Nice Holdings Limited	Interest in controlled corporation	1,019,795,913 (L) <i>(Notes 3 and 4)</i>	37.28%
Honeylink Agents Limited	Interest in controlled corporation	1,019,795,913 (L) <i>(Notes 3 and 4)</i>	37.28%
Hung Hon Man	Interest in controlled corporation	1,019,795,913 (L) <i>(Notes 3 and 4)</i>	37.28%
Kingston Securities Limited	Beneficial owner	455(L) <i>(Notes 3 and 5)</i>	25.59%
	Underwriter	700,000,000(L) <i>(Notes 3 and 5)</i>	

Name of shareholder	Nature of interest	Number of Shares held (Note 1)	Approximate percentage of interest
Kingston Financial Group Limited	Interest in controlled corporation	700,000,455(L) (Notes 3 and 5)	25.59%
Kingston Capital Asia Limited	Interest in controlled corporation	700,000,455(L) (Notes 3 and 5)	25.59%
Galaxy Sky Investments Limited	Interest in controlled corporation	700,000,455(L) (Notes 3 and 5)	25.59%
Chu Yuet Wah	Interest in controlled corporation	700,000,455(L) (Notes 3 and 5)	25.59%
Active Dynamic Limited	Interest in controlled corporation	700,000,455(L) (Notes 3 and 5)	25.59%

Notes:

1. The letter “L” denotes the shareholder’s long position in the shares of the Company.
2. As at the Latest Practicable Date, Worldwide Peace Limited holds 110,589,750 Shares of the Company. On 18 May 2021, the Company, Get Nice Securities Limited and Kingston Securities Limited entered into the Underwriting Agreement. Pursuant to the Shareholder Irrevocable Undertakings, Worldwide Peace Limited has provided irrevocable and unconditional undertakings to the Company, Get Nice Securities Limited and Kingston Securities Limited to, among other things, (i) accept the provisional allotment of an aggregate of 331,769,250 Rights Shares; and (ii) not to sell or transfer the Shares held by them in any manner before the completion or lapse of the Rights Issue.
3. On 18 May 2021, the Company, Get Nice Securities Limited and Kingston Securities Limited entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, Get Nice Securities Limited and Kingston Securities Limited have conditionally agreed to underwrite 1,019,723,294 Rights Shares and 700,000,000 Rights Shares, in particular the fulfillment of the conditions precedent contained therein, respectively.
4. According to the disclosure of interests forms substantial shareholders filed on 20 May 2021, Get Nice Securities Limited is owned as to 100% by Get Nice Incorporated, and it is owned as to 100% by Get Nice Financial Group Limited, and it is owned as to 72.99% by Get Nice Holdings Limited, and it is owned as to 61.32% by Honeylink Agents Limited, which is in turn wholly owned by Hung Hon Man.

5. According to the disclosure of interests forms substantial shareholders filed on 21 May 2021, Kingston Securities Limited is owned as to 100% by Galaxy Sky Investments Limited, and it is owned as to 100% by Kingston Capital Asia Limited, and it is owned as to 100% by Kingston Financial Group Limited, and it is owned as to 74.60% by Active Dynamic Limited, which is in turn wholly owned by Chu Yuet Wah.

Save as disclosed above, there was no person (not being a Director or chief executive of the Company) known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. DIRECTORS' SERVICE CONTRACTS

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

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2021, being the date to which the latest published audited financial statements of the Company were made up.

None of the Directors was or will be given any compensation for loss of office or otherwise in connection with the Underwriting Agreement and/or the Rights Issue.

7. COMPETING INTERESTS

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

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against either the Company or any of its subsidiaries.

9. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT**(a) Names and address of the Directors and senior management of the Group**

Name	Business address
<i>Executive Director</i>	
Ms. WONG Man Winny	Unit 4213–14, 42nd Floor Hong Kong Plaza No. 188 Connaught Road West Hong Kong
<i>Non-executive Directors</i>	
Mr. LIU Ka Lim	Unit 4213–14, 42nd Floor Hong Kong Plaza No. 188 Connaught Road West Hong Kong
Ms. TO Yin Fong Cecilica	Unit 4213–14, 42nd Floor Hong Kong Plaza No. 188 Connaught Road West Hong Kong
<i>Independent non-executive Directors</i>	
Mr. LEUNG Man Fai	Unit 4213–14, 42nd Floor Hong Kong Plaza No. 188 Connaught Road West Hong Kong
Mr. CHAN Yik Hei	Unit 4213–14, 42nd Floor Hong Kong Plaza No. 188 Connaught Road West Hong Kong
Mr. WONG Yuk Man Edmand	Unit 4213–14, 42nd Floor Hong Kong Plaza No. 188 Connaught Road West Hong Kong

Name	Business address
<i>Company secretary</i> Mr. CHAN Wai	Unit 4213–14, 42nd Floor Hong Kong Plaza No. 188 Connaught Road West Hong Kong
<i>Senior management</i> Mr. Edward PATERSON	Multitone House Shortwood Copse Lane Kempshott Basingstoke Hampshire RG23 7NL United Kingdom
Mr. Frank ROTTHOFF	Multitone House Shortwood Copse Lane Kempshott Basingstoke Hampshire RG23 7NL United Kingdom

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

Executive Director

Ms. WONG Man Winny, aged 47, has been an executive Director and the Chairman of the Board since October 2017. She is currently an executive director and the Chairman of the board of directors of Kantone, which is listed on the Main Board of the Stock Exchange and a director of Multitone UK. Ms. Wong served as the licensed representative of Business Securities Limited from 2003 to 2004. She has over 10 years experience in corporate management and investment. Ms. Wong is the sole director of Worldwide Peace Limited, which is a substantial shareholder of the Company which falls to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Non-Executive Directors

Mr. LIU Ka Lim, aged 65, has been re-designated as a non-executive Director with effect from October 2020 and continue to serve as an authorised representative of the Company. He was an executive Director from October 2016 to October 2020. He has over 30 years of professional experience in the field of finance and accounting. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the

Hong Kong Securities and Investment Institute. Mr. Liu is currently a non-executive director of Kantone, a company listed on the Main Board of the Stock Exchange. He was an executive Director of Kantone from October 2016 to October 2020. He is also a director of several subsidiaries of the Group. From March 2004 to August 2006, Mr. Liu was the chairman of Galileo Capital Group Limited (now known as Sun International Group Limited), a company listed on the GEM of the Stock Exchange. From October 2003 to March 2006, Mr. Liu was the chairman of Wonderful World Holdings Limited (now known as Good Resources Holdings Limited), a company listed on the Main Board of the Stock Exchange. From January 2011 to June 2013, Mr. Liu was a non-executive director of United Pacific Industries Limited (now known as Superactive Group Company Limited), a company listed on the Main Board of the Stock Exchange.

Ms. TO Yin Fong Cecilica, aged 41, has been a non-executive Director since July 2017. Ms. To is currently a Barrister-at-Law. Ms. To holds a postgraduate certificate in laws from University of Hong Kong and a graduate diploma in English and Hong Kong law from Manchester Metropolitan University. Ms. To was admitted as a barrister of the High Court of HKSAR in 2009. Ms. To has about 10 years of experience in the legal field. Ms. To is currently a non-executive director of Kantone, a company listed on the Main Board of the Stock Exchange and a director of Multitone UK.

Independent Non-Executive Directors

Mr. LEUNG Man Fai, aged 57, has been an independent non-executive director of the Company since June 2017. Mr. Leung has extensive experience in accounting and finance. Mr. Leung received a Bachelor of Arts degree in Accountancy from the City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Leung is currently an independent non-executive director of Kantone (stock code: 1059), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Leung served as a financial controller and company secretary of a private company during 2003 to 2006. From 1996 to 2003, he served various roles including financial controller, company secretary and finance manager in several listed companies within the ITC Corporation Limited (now known as PT International Development Corporation Limited) (stock code: 372), the shares of which are listed on the Main Board of the Stock Exchange. He also worked as a senior accountant from 1992 to 1996 in Hopewell Holdings Limited, which was de-listed from the Stock Exchange on 3 May 2019. Mr. Leung was also an independent non-executive director of China Aluminum Cans Holdings Limited (stock code: 6898), the shares of which are listed on the Main Board of the Stock Exchange, during the period from June 2013 to June 2016. Currently, Mr. Leung is the chief financial officer and company secretary of Da Ming International Holdings Limited (stock code: 1090), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. CHAN Yik Hei, aged 32, has been an independent non-executive director of the Company since June 2017. Mr. Chan graduated from Hong Kong University of Science and Technology in 2011 with a bachelor's degree in Electronic & Computer Engineering. Mr. Chan is a young inventor and entrepreneur in Hong Kong. In 2004, he won the Second Award in Engineering Category in the 55th Intel International Science and Engineering Fair in the United States of America for his invention of a smart security robot. An asteroid no. 20780 was named after him. In 2006, Mr. Chan's autobiography "Chan Yik Hei, The Young Man Who Grabbed The Star* (摘星少年陳易希)" was published, and became one of the bestsellers on the Hong Kong Book Fair. He was also the torchbearer of the 54th Olympic torch relay in Hong Kong and a member of the management committee of The Church of Christ in China Tam Lee Lai Fun Memorial Secondary School. In 2016, he was awarded the Bronze Bauhinia Star by the HKSAR Government. Mr. Chan is one of the founding shareholders of Bull.B Technology Limited, which provides (i) online platform and development services; and (ii) mobile application development services, including FinTech platform development and educational apps.

Mr. WONG Yuk Man Edmand, aged 65, has been an independent non-executive director of the Company since March 2018. From January 2004 to August 2006, Mr. Wong was an independent non-executive director of Galileo Capital Group Limited (now known as Sun International Group Limited) (stock code: 8029), the shares of which are traded on the GEM of the Stock Exchange. Mr. Wong holds a Bachelor of Arts degree from the University of British Columbia. Formerly a foreign correspondent, he held various key communications roles in government agencies, the Hong Kong Jockey Club, a major international charity, and tertiary academic institutions. He is currently responsible for public relations and communications at an educational institution.

Company secretary

Mr. CHAN Wai, aged 52, has been the company secretary of the Company since October 2016, and he is also the chief financial officer and an authorised representative of the Company. Mr. Chan has 29 years of experience in accounting and financial management. Mr. Chan holds a master degree in Professional Accounting awarded by The Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, an associate of the Association of Chartered Certified Accountants and Institute of Chartered Accountants in England and Wales. Mr. Chan is currently the chief financial officer, company secretary and an authorised representative of Kantone and a director of certain subsidiaries of the Company.

Senior Management

Mr. Edward PATERSON, aged 49, is the Chief Executive Officer ("CEO") of Multitone UK. As CEO, he is responsible for managing the overall operations and resources of the group in UK. He is also a director of several of the Group's subsidiaries.

* For identification purpose only

He has a strong IT and technical background, is a member of the British Computer Society and a member of the Institute of Directors. He is prioritising the development of new technologies and solutions into the Multitone UK product portfolio to allow the group to realise the potential of opportunities in new marketplaces. He joined the Group in 2000 in an IT role and has held positions within the IT and Operations Management and more recently as Operations Director before becoming CEO on 1st January 2020.

Mr. Frank ROTTHOFF, aged 58, is the managing director of German operations and head of international market. He was also a director of Multitone UK. He joined the Group in 2008 and has extensive experience in sales and marketing management in the electronics industry. His earlier career covered international sales of industrial machinery and process technology before entering the semiconductor sector in 1989. He was responsible for the sales and marketing of a leading European distributor of electronic components before joining the Group.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within two years immediately preceding the issue of this prospectus and are or may be material:

- (a) the provisional agreement for sale and purchase entered into among Eternal Huge Development Limited, Bhavana Kowloon Limited, and Win Talent Property Agency Limited on 22 June 2020 in relation to the sale of a property in Hong Kong, at the cash consideration of HK\$10,350,000;
- (b) the conditional agreement for the sale and purchase dated 9 February 2021 entered into between the Lucky Global Group Limited and Grandway International Marine Limited in relation to the disposal of 200 ordinary shares in the issued share capital of the Champion Energy Logistics Co Ltd, at the cash consideration of HK\$20,180,000;
- (c) the Underwriting Agreement; and
- (d) the sale and purchase agreement dated 31 May 2021 entered into between Innovative City and the Company for the acquisition of the 128,137,958 Kantone Shares by Innovative City (as amended and supplemented by the supplemental agreements dated 16 August 2021 and 15 September 2021), at the cash consideration of HK\$59,071,598.64.

11. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission and professional fees payable to lawyers, reporting accountants, financial printer and other parties involved in the Rights Issue payable by the Company, are estimated to be approximately HK\$7 million.

12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**Registered office**

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong and office address of the authorised representatives of the Company

Unit 4213-14
42nd Floor
Hong Kong Plaza
No. 188 Connaught Road West
Hong Kong

Principal share registrar and transfer office

MUFG Fund Services (Bermuda) Limited
4th Floor
North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong branch share registrar and transfer office

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal bankers

Nanyang Commercial Bank, Limited
151 Des Voeux Road Central
Central
Hong Kong

Bank of Communications (Hong Kong) Limited
16/F, Lee Garden Five
18 Hysan Avenue
Causeway Bay
Hong Kong

Auditor

Moore Stephens CPA Limited
*Certified Public Accountants and Registered
Public Interest Entity Auditor*
801–806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Underwriters

Get Nice Securities Limited
G/F–3/F, Cosco Tower
Grand Millennium Plaza
183 Queens’s Road Central
Hong Kong

Kingston Securities Limited
72/F, The Center
99 Queen’s Road Central
Central
Hong Kong

Legal advisers to the Company as to Hong Kong law

Chiu & Partners
40th Floor
Jardine House
1 Connaught Place
Hong Kong

Authorised representatives

Mr. Liu Ka Lim
Mr. Chan Wai

13. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has provided its respective advice which is contained in this prospectus:

Name	Address	Qualification
Moore Stephens CPA Limited	801–806 Silvercord Tower 1 30 Canton Road Tsimshatsui Kowloon Hong Kong	Certified Public Accountants

Moore Stephens CPA Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and the reference to its name in the form and context in which they appear.

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

Moore Stephens CPA Limited did not have any direct or indirect interests in any assets which have been, since 30 June 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries.

As at the Latest Practicable Date, Moore Stephens CPA Limited was not materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

14. BINDING EFFECT

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

15. DOCUMENTS REGISTERED BY THE REGISTRAR OF COMPANIES IN HONG KONG

Copies of the Prospectus Documents and the written consent by Moore Stephens CPA Limited have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.

16. DOCUMENTS ON DISPLAY

The following documents will be available for display on the websites of the Stock Exchange and the Company (www.champion.hk) during the period of 14 days from the date of this prospectus:

- (a) the accountant's report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (b) the material contracts referred to in the paragraph headed "10. Material Contracts" in this appendix; and
- (c) the written consent referred to in the paragraph headed "13. Expert's Qualification and Consent" in this appendix.

17. MISCELLANEOUS

In case of inconsistency, the English text of this prospectus shall prevail over its Chinese text.