

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 adviser.

If you have sold or transferred all your shares in F8 Enterprises (Holdings) Group Limited, you should at once hand the Prospectus Documents, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). 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 listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

A copy of each of the Prospectus Documents, together with the other documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

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

F8 ENTERPRISES (HOLDINGS) GROUP LIMITED

F8 企業 (控股) 集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8347)

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

Financial adviser to the Company



中孚資本有限公司

HOLOGRAM CAPITAL LIMITED

Hologram Capital Limited

Underwriter of the Rights Issue



元庫證券有限公司

Silverbricks Securities Company Limited

Silverbricks Securities Company Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares is 4:00 p.m. on Tuesday, 6 September 2022. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 15 to 17 in the paragraph headed "Letter from the Board — Rights Issue — Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares" of this Prospectus.

The Rights Issue is only underwritten on a best effort basis. Pursuant to the Company's constitutional documents, the Companies Act, the Companies (WUMP) Ordinance and the GEM Listing Rules, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares or otherwise subscribed by the Underwriter or other subscribers procured by it pursuant to the Underwriting Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Termination of the Underwriting Agreement" of this Prospectus). Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Thursday, 30 June 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 25 August 2022 to Thursday, 1 September 2022 (both dates inclusive). Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be no later than 4:00 p.m. on Wednesday, 7 September 2022, and any Shareholders dealing in the Rights Shares in nil-paid form from Thursday, 25 August 2022 to Thursday, 1 September 2022 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

23 August 2022

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	Date
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Thursday, 25 August 2022
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Monday, 29 August 2022
Last day of dealings in nil-paid Rights Shares	Thursday, 1 September 2022
Latest time for acceptance of, and payment for, the Rights Shares and application for, and payment for, excess Rights Shares	4:00 p.m. on Tuesday, 6 September 2022
Latest Time to terminate the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the second Supplemental Underwriting Agreement) and for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 7 September 2022
Announcement of results of the Rights Issue	Wednesday, 14 September 2022
Refund cheques, if any, to be despatched (if the Rights Issue is terminated and in respect of unsuccessful or partially successful application for excess Rights Shares)	on or before Thursday, 15 September 2022
Share certificates for fully paid Rights Shares to be despatched	on or before Thursday, 15 September 2022
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 16 September 2022
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Friday, 16 September 2022
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Friday, 7 October 2022

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

The expected timetable is subject to change, and any such change will be further 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 application and payment for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning issued by the Hong Kong Observatory, and/or “extreme” conditions caused by super typhoons as announced by the Hong Kong Government:

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

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Tuesday, 6 September 2022, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

DEFINITIONS

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

“Announcement(s)”	the announcements of the Company dated 25 May 2022, 30 June 2022, 10 July 2022 and 25 July 2022 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which commercial banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted by HKSCC to participate in CCASS as a direct clearing participant, general clearing participant, or custodian participant, or a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“China” or “PRC”	the People’s Republic of China (for the purposes of this Prospectus, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“close associate”	has the meaning ascribed to it under the GEM Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (As Revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
“Company”	F8 Enterprises (Holdings) Group Limited (F8企業(控股)集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

DEFINITIONS

“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess of their pro-rata entitlements under the Rights Issue
“Excluded Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party(ies) independent of the Company and not a connected person of the Company
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the beneficial owner’s shares with a CCASS Participant
“Last Trading Day”	25 May 2022, being the last trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Practicable Date”	18 August 2022, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 6 September 2022 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of the offer of and payment for, the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Wednesday, 7 September 2022, being the next Business Day after the Latest Time for Acceptance, or such other time as may be agreed between the Company and the Underwriter for the termination of the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement)
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) on the register of members of the Company on the Record Date) are outside of Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“Posting Date”	Tuesday, 23 August 2022 or such other date as may be agreed between the Underwriter and the Company for the dispatch of the Prospectus Documents
“Prospectus”	the prospectus to be despatched to Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Public Float Requirement”	the public float requirement under Rule 11.23 of the GEM Listing Rules
“Qualifying Shareholders”	Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Monday, 11 July 2022 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements of Shareholders to participate in the Rights Issue

DEFINITIONS

“Registrar”	Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed issue by way of rights to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price pursuant to the terms and conditions as set out in the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) and the Prospectus Documents
“Rights Share(s)”	new Shares to be issued and allotted under the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares in issue on the Record Date, being 50,400,000 Rights Shares (assuming no change in the share capital of the Company on or before the Record Date)
“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation or non-compliance with the Public Float Requirement
“Second Supplemental Underwriting Agreement”	the second supplemental underwriting agreement dated 24 July 2022 entered into between the Company and the Underwriter in relation to the modification and variation of certain terms in the Underwriting Agreement and the Supplemental Agreement

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in share capital of the Company
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Shares of par value HK\$0.01 each into one (1) Share of par value HK\$0.10 each, which was effective on 29 June 2022
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.34 per Rights Share
“substantial Shareholder(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Supplemental Underwriting Agreement”	the supplemental underwriting agreement dated 9 July 2022 entered into between the Company and the Underwriter in relation to the modification and variation of certain terms in the Underwriting Agreement
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Underwriter”	Silverbricks Securities Company Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 25 May 2022 (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) entered into among the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue, and as revised, supplemented and/or amended from time to time in accordance with its terms
“Underwritten Shares”	up to 50,400,000 Rights Shares to be underwritten by the Underwriter on best-effort basis pursuant to the terms of the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) (assuming no change in the share capital of the Company on or before the Record Date)

DEFINITIONS

“WUMP”	Winding up and Miscellaneous Provisions
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination,

- (i) the occurrence of the following events would, in the absolute opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
 - (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) (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) of a political, military, financial, regulatory, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
 - (c) the occurrence of any change in market conditions, taxation or exchange control or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities);
- (ii) the Underwriter shall receive notification of, or shall otherwise become aware of, the fact that any of the representations, warranties and undertaking provided by the Company to the Underwriter was, when given, untrue or inaccurate or would be untrue or inaccurate;
- (iii) any change occurs in the circumstances of the Company or any member of the Group which would in the absolute opinion of the Underwriter materially and adversely affect the business, financial or trading position or prospects of the Group as a whole;
- (iv) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement; or
- (v) the occurrence of any event, or series of events, of force majeure beyond the reasonable control of the Underwriter (including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion or unrest, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out) which, in the absolute opinion of the Underwriter, has or would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole,

TERMINATION OF THE UNDERWRITING AGREEMENT

the Underwriter shall be entitled to terminate the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) by notice in writing to the Company served prior to the Latest Time for Termination and thereupon all obligations of the Company and the Underwriter shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) provided that the Company shall remain liable to pay to the Underwriter such fees as may then be agreed by the parties thereto and that the provisions of certain specified clauses in the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) shall continue in full force and effect.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) having become unconditional and the Underwriter not having terminated the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Thursday, 30 June 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 25 August 2022 to Thursday, 1 September 2022 (both dates inclusive).

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be no later than 4:00 p.m. on Wednesday, 7 September 2022, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

LETTER FROM THE BOARD

F8 ENTERPRISES (HOLDINGS) GROUP LIMITED

F8 企業(控股)集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8347)

Executive Directors:

Mr. Fong Chun Man (*Chairman*)
Ms. Lo Pui Yee (*Vice Chairlady*)
Mr. Chan Chi Fai (*Chief Executive Officer*)

Registered office:

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

Independent non-executive Directors:

Mr. Chui Chi Yun, Robert
Mr. Kwong Yuk Lap
Mr. Wang Anyuan

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

Unit 3304, 33/F
Tower 1, Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

23 August 2022

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

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES
HELD ON THE RECORD DATE
AND
CHANGE IN BOARD LOT SIZE**

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Rights Issue.

The Board proposed to raise gross proceeds of up to approximately HK\$17.1 million by way of the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing up to 50,400,000 Rights Shares at the Subscription Price of HK\$0.34 per Rights Share (assuming no further issue of new Share(s) and no repurchase or surrender of Share(s) by the Company on or before the Record Date). The Rights Issue is underwritten by the Underwriter on a best effort basis. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any).

The purpose of this Prospectus is to provide you with further details of the Rights Issue, information on acceptances of the Rights Shares and other information in respect of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

The terms of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) Shares held at the close of business on the Record Date
Subscription Price:	HK\$0.34 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue):	Approximately HK\$0.29 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	100,800,000 Shares
Number of Rights Shares:	Up to 50,400,000 Rights Shares, assuming no further issue of new Share(s) and no repurchase or surrender of Share(s) on or before the Record Date
Aggregate nominal value of the Rights Shares:	Up to HK\$5,040,000 (each Rights Share has a par value of HK\$0.10)
Number of Shares in issue upon completion of the Rights Issue:	Up to 151,200,000 Shares, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase or surrender of Share(s) on or before the completion of the Rights Issue
Gross proceeds from the Rights Issue:	Up to HK\$17,136,000 before expenses
Right of excess application:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company has not received any undertaking from any substantial Shareholder of any intention as to whether such shareholder will take up his/her/its entitlements under the Rights Issue (or otherwise).

As at the Latest Practicable Date, the Company has no options outstanding under any share option scheme of the Company or any other convertible bonds, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

The maximum number of 50,400,000 Rights Shares to be issued and allotted pursuant to the terms of the Rights Issue represents 50.00% of the issued share capital of the Company as at the date of the Prospectus and approximately 33.33% of the issued share capital of the

LETTER FROM THE BOARD

Company 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 or surrender of Share(s) on or before completion of the Rights Issue.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.34 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 7.93% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 5.56% to the theoretical closing price of HK\$0.360 per Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 2.86% to the theoretical average closing price of HK\$0.350 per Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.035 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares up to and including the Last Trading Day;
- (iv) a discount of approximately 2.86% to the theoretical average closing price of HK\$0.350 per Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.035 per Share as quoted on the Stock Exchange for the ten consecutive trading days of the Shares up to and including the Last Trading Day;
- (v) a discount of approximately 3.68% to the theoretical ex-rights price of approximately HK\$0.353 per Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of approximately 64.1% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.946 per Share (based on 100,800,000 Shares assuming the Share Consolidation has become effective) as at 31 March 2022, the date to which the latest audited consolidated financial results of the Group were made up; and
- (vii) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 1.94% of the theoretical diluted price of approximately HK\$0.353 per Share to the benchmarked price of approximately HK\$0.360 per Share (after taking into account the effect of the Share Consolidation)

LETTER FROM THE BOARD

(as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.036 per Share and the average closing price of approximately HK\$0.034 per Share as quoted on the Stock Exchange for the five previous consecutive trading days of the Shares prior to the Last Trading Day).

The Subscription Price was determined by the Company with reference to, among others, (i) the recent adjusted closing prices of the Shares during the 3 months period prior to the Last Trading Day, which ranged from HK\$0.320 per Share to HK\$0.410, with an average of approximately HK\$0.374; (ii) prevailing market conditions, in particular the recent volatility of the capital market in Hong Kong; and (iii) the amount of funds the Company intends to raise under the Rights Issue as discussed in the section headed “Letter from the Board — Reasons for the Rights Issue and use of proceeds” of this Prospectus.

It is a general market practice for the listed companies on the Stock Exchange to issue rights shares at a discount to the prevailing market price in order to enhance the attractiveness of rights issues. Since the Rights Shares are offered to all Qualifying Shareholders, the Board is of view that setting the Subscription Price at a discount to the prevailing market price of the Shares would encourage the Qualifying Shareholders to participate in the Rights Issue and to maintain their shareholdings in the Company and participate in the potential growth of the Group. Each Qualifying Shareholder is offered equal opportunity to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its shareholding in the Company held on the Record Date and hence the interest of the Qualifying Shareholders will not be prejudiced by the discount of the Subscription Price to the market price of the Shares.

The Board is 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, and that all Qualifying Shareholders are treated equally.

Basis of provisional allotment

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

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

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

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

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

Rights of Overseas Shareholders

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

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Excluded Shareholder(s). The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only but will not send any PAL and EAF to them.

Based on the latest register of members of the Company, there was no Overseas Shareholder as at the Latest Practicable Date.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the 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 connected therewith. Any acceptance of or application for 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. If you are in doubt as to your position, you should consult your own professional advisers. 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. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before

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dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. Proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis (but rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold nil-paid Rights Shares to which such Excluded Shareholders (if any) would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAFs.

Status of 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 fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made or paid, the record date of which is after the date of allotment and issue of the Rights Shares in their fully-paid form.

Fractions of the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, the Company has appointed Silverbricks Securities Company Limited to stand in the market to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares to a full new board lot during the period between Friday, 16 September 2022 to Friday, 7 October 2022 (both days inclusive). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Silverbricks Securities Company Limited is an Independent Third Party not connected with the Company or any of the directors, chief executives, or substantial shareholders of the Company or any of its subsidiaries or associates.

Shareholders who wish to take advantage of this facility should contact Mr. Wayne Wong of Silverbricks Securities Company Limited at Units 1004–1006, 10/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong (telephone number: (852) 3998 5127) during the period between Friday, 16 September 2022 to Friday, 7 October 2022 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day. Holders of Shares in odd lots should note that the matching of the sale and purchase of odd lots of the Share will be on a best effort basis only and successful matching of

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the sale and purchase of odd lots of Shares will not be guaranteed and will depend on there being an adequate amount of odd lots of Shares available for matching. Shareholders are advised to consult their financial advisers if they are in doubt about the above arrangements.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on or before Thursday, 15 September 2022 by ordinary post to the allottees, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Shares. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or before Thursday, 15 September 2022 by ordinary post to the applicants, at their own risk, to their registered addresses.

Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, by no later than 4:00 p.m. on Tuesday, 6 September 2022. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "F8 ENTERPRISES (HOLDINGS) GROUP LIMITED (PAL)" and crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 6 September 2022, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled 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.

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 transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 29 August 2022 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 Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly referred to as

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“splitting” of nil-paid Rights Shares. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

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

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

All cheques or cashier’s orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. No receipt will be given in respect of any application monies received. Completion and return of the PAL with a cheque or a cashier’s order will constitute a warranty by such person that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier’s order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises its rights to terminate the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) on or before the Latest Time for Termination and/or any of the conditions of the Rights Issue as set out in the paragraph headed “The Underwriting Agreement — Conditions of the Rights Issue and the Underwriting Agreement” in this letter is not fulfilled and/or waived (as the case may be), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of the relevant provisional allotments of Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without 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 Thursday, 15 September 2022.

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

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that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

Application for excess Rights Shares

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

- (i) any unsold Rights Shares created by aggregating fractions of the Rights Shares;
 - (ii) any unsold entitlements to the Rights Shares of the Excluded Shareholder(s) (if any);
 - (iii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares; and
 - (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).
- (i) to (iv) shall collectively be referred to as “**Untaken Rights**”.

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

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 10.31(3)(b) of the GEM Listing Rules, the Company will take steps to identify the applications for excess Rights Shares made by any controlling Shareholder or its associates, whether in their own names or through nominees. The Company shall disregard their 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 them under their assured entitlement to the Rights Shares.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, 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. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of excess Rights Shares

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each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures. The procedures for application for excess Rights Shares shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for. Any Rights Shares underlying the Untaken Rights which are not taken up by excess applications will be taken up by the Underwriter, on a best effort basis, pursuant to the terms and conditions of the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement).

Application for excess Rights Shares can be made by Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed 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 Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong no later than 4:00 p.m. on Tuesday, 6 September 2022. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "F8 ENTERPRISES (HOLDINGS) GROUP LIMITED (EAF)" and crossed "ACCOUNT PAYEE ONLY". The Company may, at its sole discretion, treat a 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. The Registrar will notify the Qualifying Shareholders of any allotment of the excess Rights Shares made to them.

If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Thursday, 15 September 2022. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Thursday, 15 September 2022.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. The EAF contains further information regarding the procedures to be followed for application of excess Rights Shares by the Qualifying Shareholders. Qualifying Shareholders are advised to study the procedures set out in the EAF carefully.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. No receipt will be given in respect of any application monies received. Completion and return of the EAF with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without

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prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the excess application and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises its rights to terminate the Underwriting Agreement on or before the Latest Time for Termination and/or any of the conditions of the Rights Issue as set out in the paragraph headed "The Underwriting Agreement — Conditions of the Rights Issue and the Underwriting Agreement" in this letter is not fulfilled and/or waived (as the case may be), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons or, in the case of joint acceptances, to the first-named person without 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 Thursday, 15 September 2022.

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to apply for excess Rights Shares, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the application for excess Rights Shares. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the section headed "Expected Timetable" of this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedure for application for excess Rights Shares shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

Scale-down of subscriptions to avoid the triggering of MGO Obligation and non-compliance of Public Float Requirement

Without prejudice to the generality of the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement), as the Rights Issue is only underwritten by the Underwriter on a best effort basis, to avoid the unwitting triggering of MGO Obligations and non-compliance of Public Float Requirements, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under the PAL(s) or the EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO

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Obligation or non-compliance of Public Float Requirement. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); and (b) where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

Application for listing

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 8,000 Shares in one board lot.

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

Stamp duty and other applicable fees

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 or any other applicable fees and charges in Hong Kong.

Taxation

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

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THE UNDERWRITING AGREEMENT

On 25 May 2022 (after trading hours), the Underwriter and the Company entered into the Underwriting Agreement. The Rights Issue is only underwritten on a best-effort basis. Pursuant to the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement), the Underwriter has conditionally agreed to underwrite, on a best effort basis, the Underwritten Shares up to 50,400,000 Rights Shares.

Date:	25 May 2022 (after trading hours)
Underwriter:	Silverbricks Securities Company Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO and its ordinary course of business includes securities brokerage and underwriting and placement of securities
Total number of Rights Shares to be underwritten by the Underwriter:	up to 50,400,000 Rights Shares (assuming no further issue of new Share(s) and no repurchase or surrender of Share(s) on or before the Record Date) underwritten by the Underwriter on a best-effort basis
Underwriting commission:	5% of the aggregate subscription amount in respect of such number of the Rights Shares actually procured by the Underwriter for subscription pursuant to the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Underwriter and its associates did not hold any Shares as at the Latest Practicable Date; and (ii) the Underwriter and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons. The Underwriter confirmed that it has complied with Rule 10.24A(1) of the GEM Listing Rules.

The terms of the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) (including the underwriting commission rate) were determined after arm's length negotiations between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, the current and expected market conditions, the historical trading volume of the Shares and the prevailing market rate of similar transactions.

After reviewing the underwriting commission of rights issues conducted by listed companies in Hong Kong from June 2021 to May 2022, the Directors are of the view that the terms of the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement), including the underwriting commission rate, are fair and reasonable and the transactions contemplated under the

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Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Underwriter) contained in the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) and provided that the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription, on a best-effort basis, on the terms of the Prospectus Documents (insofar as the same are applicable) for the Underwritten Shares up to 50,400,000 Rights Shares.

Termination of the Underwriting Agreement

Terms in relation to the termination of the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) are summarised in the section headed “Termination of the Underwriting Agreement” of this Prospectus. The Rights Issue is conditional upon the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) does not become unconditional or in the event the Underwriter exercises its rights to rescind or terminate the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) prior to the Latest Time for Termination, then the Rights Issue will not proceed, and all obligations of the Company and the Underwriter shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) provided that the Company shall remain liable to pay to the Underwriter such fees as may then be agreed by the parties thereto and that the provisions of certain specified clauses in the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) shall continue in full force and effect. In such an event, the Company will make a further announcement as and when appropriate.

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Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) becoming unconditional and not being terminated in accordance with its terms. The obligations of the Underwriter under the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) are conditional upon:

- (i) the Share Consolidation having become effective by no later than the Posting Date;
- (ii) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (iii) the signing by or on behalf of two Directors of one printed copy of each of the Prospectus Documents and the certification by two Directors (or by their agents duly authorised in writing) of two copies of each of the Prospectus Documents on or before the Posting Date;
- (iv) the delivery to the Stock Exchange of two printed copies of each of the Prospectus Documents duly certified by two Directors (or by their agents duly authorised in writing) in compliance with section 342C(3) of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the GEM Listing Rules on or before the Posting Date, the Stock Exchange issuing a certificate that it authorises registration of the Prospectus Documents not later than 11:00 a.m. on or before the Posting Date;
- (v) the Registrar of Companies in Hong Kong registering one printed copy of each of the Prospectus Documents each duly certified by two Directors (or by their agents duly authorised in writing) in compliance with section 342C(3) of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the GEM Listing Rules on or before the Posting Date;
- (vi) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus for information only to the Excluded Shareholders, if any, by no later than the Posting Date;
- (vii) each party having obtained all necessary consent and/or approval for entering into the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) or the transactions contemplated therein;

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- (viii) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement); and
- (ix) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination.

As at the Latest Practicable Date, the above condition (i) is fulfilled and all the other conditions remain unfulfilled.

Save for the condition (vii) which can be waived by the Underwriter, none of the above conditions can be waived. In the event that the conditions above have not been satisfied and/or waived in whole or in part by the Underwriter on or before the time and dates specified in the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement), all liabilities of the parties thereto shall cease and determine and no party shall have any claim against the other parties save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall to the extent agreed by the Company be borne by the Company.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) having become unconditional and the Underwriter not having terminated the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement) in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Thursday, 30 June 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 25 August 2022 to Thursday, 1 September 2022 (both dates inclusive).

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be no later than 4:00 p.m. on Wednesday, 7 September 2022, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong and the PRC and the manufacturing and sale of steel products and sale of injecting molding machine in the PRC.

Assuming full subscription under the Rights Issue, the estimated gross proceeds and net proceeds (after the deduction of the costs and expenses which the Company will incur in the Rights Issue) will amount to approximately HK\$17.1 million and HK\$14.7 million, respectively. The estimated expenses of the Rights Issue are approximately HK\$2.4 million, which include underwriting commission and professional fees payable to the financial advisers, legal counsels, financial printer and other parties involved in the Rights Issue and will be borne by the Company. The Company intends to apply the abovementioned net proceeds from the Rights Issue in the following manner:

- (i) approximately HK\$14.0 million or approximately 95.2% of the net proceeds for the repayment of a loan of the Group on or before 31 October 2022; and
- (ii) approximately HK\$0.7 million or approximately 4.8% of the net proceeds as general working capital of the Group on or before 31 December 2022.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will first be utilised as the repayment of the loan of the Group. The remaining part of the net proceeds (if any) will then be utilised as general working capital of the Group. Even though there are still net proceeds of approximately HK\$13.9 million raised from the share offer of the Company in April 2017 not yet utilised, there are planned use for such net proceeds. Therefore, the Group has to raise funds for repayment of loan.

As set out in the annual report of the Company for the year ended 31 March 2022 (the “**2022 Annual Report**”), the Company recorded total debts (comprising total borrowings and lease liabilities) of approximately HK\$43.3 million as at 31 March 2022. As at the Latest Practicable Date, the Group’s debts included, among others, a loan from a financial institution which is an Independent Third Party in the principal amount of HK\$14.0 million with an interest rate of 12.5% per annum which will be matured in August 2022.

As disclosed in the 2022 Annual Report, the cash and bank balances of the Group amounted to approximately HK\$14.3 million and pledged bank deposits amounted to approximately HK\$6.1 million as at 31 March 2022. The total unused net proceeds from the share offer in association with the listing of the Shares on GEM on 12 April 2017 amounted to approximately HK\$13.9 million as at 31 March 2022. Accordingly, a substantial portion of the cash and bank balances and pledged bank deposits currently available to the Group shall be set aside solely for the implementation plans for its business strategies as set out in the prospectus of the Company dated 29 March 2017. Based on the current estimation of the future market condition made by the Group, the expected timeframe for utilizing the remaining unused net proceeds will be by 31 March 2023.

LETTER FROM THE BOARD

Taking into account the aforementioned loan, the cash and bank balances of the Company is insufficient for meeting its imminent cash flow demand for repayment purpose. Accordingly, the Company intends to apply approximately HK\$14.0 million of the net proceeds from the Rights Issue for repayment of the above loans and borrowings of the Group.

Further, as disclosed in the 2022 Annual Report, the Group recorded a loss attributable to the owners of the Company of approximately HK\$32.3 million for the year ended 31 March 2022, as compared to profit attributable to owners of the Company of approximately HK\$6.4 million for the year ended 31 March 2021. Such loss for the year ended 31 March 2022 was mainly attributable to the decrease in the revenue of the Group from sales of marine diesel oil and sales of steel products due to the fierce competition in the industry. Moreover, the gross profit margin of the Group decreased from approximately 7.1% for the year ended 31 March 2021 to approximately 1.4% for the year ended 31 March 2022, which was owing to the lower markup offered to the customers of the Group to maintain competitive advantage over competitors entering into the diesel oil market.

The Group relies mainly on funds from operating activities and loans and borrowings from banks and financial institutions to support the Group's operating activities and other capital expenditures. However, the Company became aware that the recoverability of account receivables of the Company has deteriorated for the six months ended 30 September 2021 as the Group recorded an increase in the long-aged trade receivables of over 120 days as at 30 September 2021, resulting in less operating cash inflow received by the Company and hence tightening cash flow burden on the Company. In light of (i) the loss for the year ended 31 March 2022 recorded by the Group; and (ii) the deteriorated recoverability of trade receivables, the Company intends to apply approximately HK\$0.7 million from the net proceeds from the Rights Issue for the general working capital for daily operations of the Group in the 12 months following the completion of the Rights Issue, which will strengthen the financial positions and stability of the Group and support the Group's sustainable and stable development in the future. The Directors consider that, compared with debt financing, rights issue will provide new funds for the steady development of the Group, and also immediately reduce the Group's gearing ratio, resulting in a more stable balance sheet of the Group.

The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. With respect to debt financing, debt financing will incur additional financial cost and burden, higher gearing ratio of the Group and subject the Group to repayment obligations. As set out in the 2022 Annual Report, the Company recorded total debts (comprising total borrowings and lease liabilities) of approximately HK\$43.3 million and gearing ratio of approximately 45.4% as at 31 March 2022. In view of this, the Board has averted debt financing as a source for raising funds in this occasion. However, equity financing not only provides the Group with fresh funding, but also lowers the Group's gearing ratio, improve its capital structure and enhance its future financing capabilities. Therefore, equity financing is a better and more viable option than debt financing for the Company.

LETTER FROM THE BOARD

As for placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. As for open offer, while it is similar to a rights issue, it does not allow free trading of rights entitlements in the open market.

Based on the above, despite the fact that those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Excluded Shareholders may have their shareholdings being diluted, the Directors consider that fund raising through the Rights Issue is in the best interests of the Company and the Shareholders as a whole, having considered that the Rights Issue (i) gives all Qualifying Shareholders the first right to maintain their respective pro-rata shareholding interests in the Company and an opportunity to participate in the growth and development of the Group in proportion to their shareholdings; and (ii) offers the Qualifying Shareholders the flexibility to sell their entitled nil-paid rights in the open market for their own economic benefit if they do not wish to take up the entitlements of the Rights Shares as compared with an open offer.

As at the Latest Practicable Date, save for the Rights Issue, there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) for any fund raising activity for the Group in the coming 12 months.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below are the fund raising activities conducted by the Company in the past 12 months immediately preceding the Latest Practicable Date:

Date of initial announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
16 June 2021	Issue of new shares under general mandate of the Company (regarding a discloseable transaction in relation to the acquisition of property)	Approximately HK\$11.2 million	Settlement of partial consideration for the acquisition of a property	Fully utilised as intended

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately 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 and the Underwriter taking up the Rights Shares in full).

	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 and the Underwriter taking up the Rights Shares in full) ^(Note 3)	
	Number of Shares	Approx. % ^(Note 1)	Number of Shares	Approx. % ^(Note 1)	Number of Shares	Approx. % ^(Note 1)
Grand Tycoon Limited <i>(Note 2)</i>	50,457,600	50.06	75,686,400	50.06	50,457,600	33.37
The Underwriter	—	—	—	—	50,400,000	33.33
Other public Shareholders	<u>50,342,400</u>	<u>49.94</u>	<u>75,513,600</u>	<u>49.94</u>	<u>50,342,400</u>	<u>33.30</u>
Total	<u>100,800,000</u>	<u>100.00</u>	<u>151,200,000</u>	<u>100.00</u>	<u>151,200,000</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.
- The Shares are held by Grand Tycoon Limited, the equity interest of which is owned as to 100% by Mr. Fong Chun Man, an executive Director and the Chairman of the Board. Mr. Fong Chun Man is deemed to be interested in all the Shares held by Grand Tycoon Limited for the purpose of Part XV of SFO.
- This scenario is for illustrative purpose only. Pursuant to the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement), (a) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to 20% or more of the voting rights of the Company upon completion of the Rights Issue; and (b) the Underwriter shall also use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholder(s) of the Company or their respective associates (as defined in the GEM Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue. For the avoidance of doubt, the Underwriter shall ensure the public float requirements under the GEM Listing Rules to be fulfilled by the Company upon completion of the Rights Issue.

LETTER FROM THE BOARD

Shareholders and investors of the Company should note that the above shareholding changes are for illustrative 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. Further announcements will be made by the Company in accordance with the GEM Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group which include, but do not limit to, the following:

Business risks relating to the Group

- i. The Group is dependent on the major supplier (in terms of total purchases) for the supply of diesel oil. Any shortage or delay in the supply of diesel oil from it, or any change in its existing marketing strategies may materially and/or adversely affect the Group's business and results of operations if the Group cannot secure alternative sources of supply immediately.
- ii. The Group's customers are not subject to any minimum purchase requirement to purchase diesel oil from the Group. There is no assurance that these customers will continue to purchase from the Group in the future. If any of the major customers of the Group terminates the business relationship with the Group, and the Group fails to secure new orders on a timely basis, there may be an adverse effect on the business operations, financial performance and profitability of the Group.
- iii. A significant portion of the revenue of the Group was attributable to the sale of diesel oil and its profitability may be adversely affected if demand for diesel oil declines for any reason.
- iv. The demand for the diesel oil of the Group would be adversely affected by the delay in public sector projects caused by failures or delays in passing funding for public work proposals by committees of the Legislative Council due to lawmakers' filibustering.
- v. The business and results of operations of the Group are dependent on the oil price which are driven by factors beyond the Group's control and the uncertainty of the crude oil price could have a material adverse impact on the financial condition and results of operations of the Group.
- vi. The customers of the Group are mostly construction companies which require diesel oil to operate their construction machinery. The level of profitability of the diesel supply market in Hong Kong depends primarily upon the continued availability of construction projects. Changes in the market conditions and trends in the construction industry and in the overall economy may affect the availability of construction projects from both the private and public sectors, thus affecting the profitability and results of operations of the Group.

LETTER FROM THE BOARD

Risks relating to politics, economics and regulations

The business operations of the Group are primarily based in Hong Kong and the PRC. Any changes in the political and economic policies/environments of Hong Kong and the PRC (including, but not limited to, government policies, political instability, expropriation, laws, labour activism, war, civil unrest, terrorism, and changes in interest rates, foreign exchange rates, taxation, environmental regulations and import and export duties and restrictions) may adversely affect the Group's business and operations as well as its ability to sustain its expansion strategies and thus future growth.

Risks relating to the Share price

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares in the public market price and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in Hong Kong or the PRC could cause the market price of the Shares to change substantially.

Risks relating to the Rights Issue

Under the Underwriting Agreement (as supplemented by the Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement), the Underwriter shall be entitled by notice in writing to the Company to terminate its obligations upon the occurrence of any of the events stated in the section headed "Termination of the Underwriting Agreement" of this Prospectus on or before the Latest Time for Termination.

Moreover, should the Rights Issue proceeds as intended, the interest of the existing Shareholders will be diluted if they do not or cannot, as the case may be, subscribe for the Rights Shares which they are entitled to.

Additional risks

Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or otherwise deemed immaterial by the Directors as at the Latest Practicable Date, may also adversely affect the business of the Group in a material aspect.

SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the announcement of the Company dated 25 May 2022 in relation to the Rights Issue, the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the announcement of the Company dated 25 May 2022 in relation to the Rights Issue and the Rights Issue is not underwritten by a Director, chief executive of the Company or substantial Shareholder (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under the GEM Listing Rules.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
F8 Enterprises (Holdings) Group Limited
Fong Chun Man
Chairman and Executive Director

1. THREE-YEAR FINANCIAL INFORMATION

Details of the financial information of the Group for the each of the financial years ended 31 March 2020, 2021 and 2022 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.f8.com.hk):

- Annual report of the Company for the year ended 31 March 2022 (pages 98 to 240) <https://www1.hkexnews.hk/listedco/listconews/gem/2022/0722/2022072201534.pdf>
- Annual report of the Company for the year ended 31 March 2021 (pages 60 to 190) <https://www1.hkexnews.hk/listedco/listconews/gem/2021/0630/2021063000720.pdf>
- Annual report of the Company for the year ended 31 March 2020 (pages 90 to 211) <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0707/2020070700013.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2022, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

Bank and other borrowings

At 30 June 2022, the Group had outstanding bank and other borrowings of HK\$53,443,000 as follows:

- Bank borrowings of approximately HK\$16,254,000 are secured by pledged bank deposits of the Group and guaranteed by the Company.
- Bank borrowing of HK\$1,400,000 is secured by life insurance policy held by the Group and guaranteed by the Company.
- Other borrowing of HK\$14,000,000 is secured by investment property of the Group and guaranteed by Mr. Fong Chun Man.
- Other borrowing of HK\$8,789,000 is guaranteed by the Company and Mr. Fong Chun Man.
- Other borrowings of HK\$13,000,000 are secured by vessels of the Group and guaranteed by a subsidiary of the Company.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages and charges, hire purchase

commitments, material contingent liabilities or guarantees outstanding as at 30 June 2022, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus.

Save as aforesaid or otherwise disclosed herein, the Directors are not aware of any material changes in the indebtedness, contingent liabilities and commitments of the Group since 30 June 2022, the date to which the statement of indebtedness is made and up to the Latest Practicable Date.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, 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 credit facilities, the Group will have sufficient working capital for its operation for at least the next twelve (12) months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In 2021, international oil prices fluctuated over a range. The outbreak of the pandemic brings uncertainties to international oil prices in short-term and adverse impact on the economic condition in an international and domestic context. The Directors will continue to observe closely and manage risks associated. In view of the challenging business environment and keen competition in the diesel oil sales market in Hong Kong, the Group will deploy more resources on talent recruitment, strengthening the business development and marketing strategy on diesel oil guardedly. The Group will also proactively seek potential business opportunities that broaden the sources of income and enhance value to the Shareholders.

Looking forward, the Group will strive to improve its operational efficiency and profitability of its businesses. Notwithstanding the adverse impact brought by the outbreak of the pandemic, the Company believes that market trend of the sale of diesel oil and marine diesel oil market in Hong Kong remains optimistic mainly due to the stable and high level investment in public infrastructure including the railway network, development of marine construction projects including the Hong Kong International Airport's third runway project together with the recovery of logistics industry in Hong Kong.

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

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of F8 Enterprises (Holdings) Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the director of the Company (the “**Directors**”) in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) to illustrate the effect of the proposed issue by way of rights issue on the basis of one (1) rights share for every two (2) existing shares in issue (the “**Rights Issue**”) on the audited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 March 2022.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2022, as derived from the audited consolidated financial statements of the Group for the year ended 31 March 2022 included in the published annual report of the Group for the year ended 31 March 2022, after incorporating the unaudited pro forma adjustments described in the accompanying notes, as if the Rights Issue had taken place on 31 March 2022.

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

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2022 <i>HK\$'000</i> (Note 1)	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2022 immediately after the completion of the Rights Issue <i>HK\$'000</i>	Audited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 March 2022 <i>HK\$</i> (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after the completion of the Rights Issue <i>HK\$</i> (Note 4)
95,370	14,734	110,104	0.95	0.73

Based on 50,400,000 rights shares to be issued at the subscription price of HK\$0.34 per rights share

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2022 is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2022 of approximately HK\$95,370,000 as shown in the Group's audited consolidated financial statements for the year ended 31 March 2022 that has been extracted from the published annual report of the Company for the year ended 31 March 2022 dated 22 July 2022.
- (2) The estimated net proceeds from the Rights Issue are based on 50,400,000 rights shares to be issued on the basis of one (1) right shares for every two (2) existing shares held on the record date at the subscription price of HK\$0.34 per rights share, after the deduction of the estimated related expenses of approximately HK\$2,402,000.
- (3) The audited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 March 2022 is calculated based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2022 of approximately HK\$95,370,000 divided by 100,800,000 shares in issue as at 31 March 2022 after adjusting for share consolidation of every ten (10) ordinary shares of HK\$0.01 each into one (1) ordinary share of HK\$0.10 each which became effective on 29 June 2022 (the "**Share Consolidation**").
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after the completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2022 immediately after the completion of the Rights Issue of approximately HK\$110,104,000 divided by 151,200,000 shares, which comprise of 100,800,000 shares in issue as at 31 March 2022 after adjusting for the Share Consolidation and 50,400,000 rights shares to be issued under the Rights Issue, as if the Rights Issue had been completed on 31 March 2022.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2022.

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

The following is the text of a report received from the reporting accountant, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information for the purpose of incorporation in this prospectus.



**國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED**

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

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

TO THE DIRECTORS OF F8 ENTERPRISES (HOLDINGS) GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of F8 Enterprises (Holdings) Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) prepared 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 31 March 2022 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of Appendix II to the prospectus dated 23 August 2022 (the “**Prospectus**”) issued by the Company. 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-2 of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed issue by way of rights issue on the basis of one (1) rights share for every two (2) existing shares in issue (the “**Proposed Rights Issue**”) on the Group's financial position as at 31 March 2022 as if the Proposed Rights Issue had taken place at 31 March 2022. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 March 2022 included in the published annual report of the Company for the year ended 31 March 2022.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

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

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

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM 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 7.31 of the GEM 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 the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Proposed Rights Issue 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 31 March 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors

in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the 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 7.31(1) of the GEM Listing Rules.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hong Kong
23 August 2022

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date were and (ii) immediately following completion of the Rights Issue (assuming there is no change in the issued share capital of the Company other than the Rights Shares on or before the completion of the Rights Issue) are expected to be as follows:

A. As at the Latest Practicable Date:

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>200,000,000</u> Shares of HK\$0.10 each	<u>20,000,000.00</u>

Issued and fully-paid:

<u>100,800,000</u> Shares of HK\$0.10 each	<u>10,080,000.00</u>
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B. Immediately following completion of the Rights Issue (assuming there is no change in the issued share capital of the Company other than the Rights Shares on or before the completion of the Rights Issue):

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>200,000,000</u> Shares of HK\$0.10 each	<u>20,000,000.00</u>

Issued and fully-paid:

100,800,000 Shares of HK\$0.10 each in issue as at the Latest Practicable Date	10,080,000.00
<u>50,400,000</u> Rights Shares of HK\$0.10 each to be allotted and issued upon completion of the Rights Issue	<u>5,040,000.00</u>
<u>151,200,000</u> Total	<u>15,120,000.00</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as

to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

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

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. The Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert or exchange into the Shares.

3. DISCLOSURE OF INTERESTS

(a) Interests of the Directors, supervisors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange:

Long positions in the Shares

Name of Director	Capacity/ nature of interests	Number of Shares held as at the Latest Practicable Date	Approximate percentage to the issued share capital of the Company as at the Latest Practicable Date
Mr. Fong Chun Man	Interest of controlled corporation ^(Note 1)	50,457,600	50.06%
Ms. Lo Pui Yee	Interest of spouse (Note 2)	50,457,600	50.06%

Notes:

- (1) The Shares are held by Grand Tycoon Limited, the equity interest of which is owned as to 100% by Mr. Fong Chun Man, an executive Director and the Chairman of the Board. Mr. Fong Chun Man is deemed to be interested in all the Shares held by Grand Tycoon Limited for the purpose of Part XV of SFO.
- (2) Ms. Lo Pui Yee, an executive Director and the Vice Chairlady of the Board, is the spouse of Mr. Fong Chun Man and is therefore deemed to be interested in all the Shares which Mr. Fong Chun Man is interested for the purpose of Part XV of the SFO.

(b) Interests and short positions of substantial Shareholders

Save as disclosed below, 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 the Directors or chief executive of the Company, no person or company (other than a Director or chief executive of the Company) had, or were deemed or taken to have, an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Name	Capacity/ nature of interests	Number of Shares held as at the Latest Practicable Date	Approximate percentage to the issued share capital of the Company as at the Latest Practicable Date
Grand Tycoon Limited	Beneficial owner <i>(Note 1)</i>	50,457,600	50.06%

Notes:

- (1) The Shares are held by Grand Tycoon Limited, the equity interest of which is owned as to 100% by Mr. Fong Chun Man, an executive Director and the Chairman of the Board. Mr. Fong Chun Man is deemed to be interested in all the Shares held by Grand Tycoon Limited for the purpose of Part XV of SFO.

4. COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group or have any other conflict of interests which any person has or may have with the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group, excluding contracts expiring or which may be terminated by the employer within one year without payment of any compensation, other than statutory compensation.

6. DIRECTOR'S INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 March 2022, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of, by or leased to any member of the Group or are proposed to be acquired or disposed of, by or leased to any member of the Group.

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

7. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of the Announcement and ending on the Latest Practicable Date, and are or may be material:

- (i) the master purchase agreements dated 3 July 2020 entered into between 江西新冀動力科技有限公司 (Jiangxi Xinji Power Technology Company Limited*) (“**Jiangxi Xinji**”) (a non-wholly owned subsidiary of the Company) as purchaser and each of 中冶南方(新余)冷軋新材料技術有限公司 (Wisdri (Xinyu) Cold Processing Engineering Co., Ltd.*) and 新鋼(上海)貿易有限公司 (New Steel (Shanghai) Trade Co., Ltd.*) as suppliers (being connected persons of the Company at subsidiary level) in relation to the continuing connected transactions whereby Jiangxi Xinji will purchase and each of the suppliers will supply iron and steel materials for a term commencing from 3 July 2020 to 31 March 2022;
- (ii) the equity transfer agreement dated 7 February 2021 entered into between Eastern Champion Development Limited (an indirect wholly-owned subsidiary of the Company) (“**Eastern Champion**”), 新余市投資控股有限公司 (Xinyu Investment Holding Group Company Limited*) (“**Xinyu Holding**”) and 新余鋼鐵集團有限公司 (Xinyu Iron and Steel Group Company Limited*) (“**Xinyu Steel Group**”) as vendors, 江西新鋼南方新材料有限公司 (Jiangxi Xingang Southern New Material Company Limited*) (“**Jiangxi Xingang**”) as purchaser and 江西新冀動力科技有限公司 (Jiangxi Xinji Power Technology Company Limited*) (the “**Target Company**”) (an indirect non-wholly owned subsidiary of the Company prior to completion of the equity transfer) in relation to the disposal of an aggregate 41.75% of the equity interest in the Target Company (which was beneficially held as to approximately 22.96%, 14.61% and 4.18% by Eastern Champion, Xinyu Steel Group and Xinyu Holding, respectively, prior to the completion of the disposal) at nil consideration;

- (iii) the non-legally binding memorandum of understanding dated 8 March 2021 entered into between the Company and Guangzhou Kaicang Fangliang Electronic Commerce Co., Ltd.* (廣州開倉放良電子商務有限公司) (“**Kaicang**”) pursuant to which, among others, the Company and Kaicang (or their respective subsidiaries) will form strategic cooperation with each other to, among others, invest, produce, promote, develop and operate e-commerce related projects in the Mainland China and Hong Kong;
- (iv) the sale and purchase agreement dated 11 June 2021 entered into between Eastern Champion Investment Limited, a wholly-owned subsidiary of the Company, as purchaser and Ms. Li Loretta Shui Wah as vendor in respect of the sale and acquisition of a property located at Office 4, 6/F., Nam Wo Hong Building, 148 Wing Lok Street, Hong Kong at an aggregate consideration of HK\$21,000,000, which shall be satisfied by the Company by way of (i) the allotment and issuance of 130,000,000 new Shares under the general mandate of the Company at the issue price of HK\$0.086 per Share; and (ii) cash in the amount of HK\$9,820,000, as supplemented by a supplemental agreement/extension letter dated 29 July 2021 entered into between the same parties in relation to the extension of completion date of the acquisition; and
- (v) the non-legally binding memorandum of understanding dated 11 June 2021 entered into between the Company (as potential purchaser) and Mr. Lee Cheuk Shun and Mr. Fan Chunhua (as potential vendors) in relation to the possible acquisition of equity interest in Marco (International) Lubricant Technology Limited;
- (vi) the sale and purchase agreement entered into between the Company and Mr. Zhu Yixiang on 31 March 2022 in relation to the disposal of 25,500 ordinary shares (representing 51% of the share capital) of 美嘉殼(環球)潤滑科技有限公司 (Meijia Shell (Global) Lubricant Technology Limited) (“**Meijia Shell**”) by the Company to Mr. Zhu Yixiang, at the total consideration of HK\$9,000,000 (the “**Disposal**”);
- (vii) the vessel transfer agreement dated 29 April 2022 entered into between New Team International (HK) Limited (新聯國際(香港)有限公司) (“**New Team**”), a company incorporated in Hong Kong with limited liability, and the Company, pursuant to which the Company has agreed to purchase, and New Team has agreed to sell the vessel “Cheung Kee No.27 (祥記27)” with certificate of ownership number: of B21778V at a total consideration of HK\$9,500,000;
- (viii) the Underwriting Agreement;
- (ix) the Supplemental Underwriting Agreement; and
- (x) the Second Supplemental Underwriting Agreement.

8. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advisory fees, printing and translation costs, registration fees, legal and accountancy charges and other fees are estimated to be approximately HK\$2.4 million, which are payable by the Company.

9. LITIGATION

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

10. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this Prospectus or has given opinions, letter or advice contained in this Prospectus:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified Public Accountants, Hong Kong

The above mentioned expert has given and has not withdrawn its written consent to this Prospectus with the inclusion of its letters, reports and/or opinion in the form and context in which it is included and the references to its name in the form and context in which it respectively appears.

As at the Latest Practicable Date, the above mentioned expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and did not have any interest, either direct or indirect, in any assets which had been since 31 March 2022 (being the date to which the latest published consolidated audited financial statements of the Group were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

11. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Head office and principal place of business in Hong Kong	Unit 3304, 33/F Tower 1, Enterprise Square Five 38 Wang Chiu Road Kowloon Bay, Kowloon Hong Kong

Authorised representatives	Mr. Fong Chun Man Unit 3304, 33/F Tower 1, Enterprise Square Five 38 Wang Chiu Road Kowloon Bay, Kowloon Hong Kong Ms. Lo Pui Yee Unit 3304, 33/F Tower 1, Enterprise Square Five 38 Wang Chiu Road Kowloon Bay, Kowloon Hong Kong
Company secretary	Ms. Leung Yin Fai Unit 3304, 33/F Tower 1, Enterprise Square Five 38 Wang Chiu Road Kowloon Bay, Kowloon Hong Kong
Underwriter	Silverbricks Securities Company Limited Rooms 1004–1006, 10/F., China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong
Auditor and reporting accountants	HLB Hodgson Impey Cheng Limited Certified Public Accountants 31/F, Gloucester Tower The Landmark 11 Pedder Street, Central Hong Kong
Legal advisor as to the Company	<i>As to Hong Kong law:</i> D. S. Cheung & Co. 29/F, Bank of East Asia Harbour View Centre 56 Gloucester Road, Wanchai Hong Kong
Financial adviser to the Company	Hologram Capital Limited Unit B, 21/F Success Commercial Building 245–251 Hennessy Road, Wanchai Hong Kong

Principal bankers	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, HSBC Main Building, Hong Kong
Cayman Islands principal share registrar and transfer office:	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Hong Kong branch share registrar and transfer office:	Boardroom Share Registrars (HK) Limited Room 2103B, 21/F 148 Electric Road, North Point Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Fong Chun Man (“Mr. Fong”), aged 42, is the founder, executive Director, Chairman, compliance officer, member of the Nomination Committee and Remuneration Committee, and is responsible for the Group's overall corporate management and business development strategies. Mr. Fong was appointed as an executive Director on 23 March 2017. Mr. Fong established the Group in early 2005 and was appointed as the director of Great Wall (International) Oil Limited in December 2005.

Mr. Fong has over 16 years of experience in the sale and transportation of diesel oil and related products. The performance of the Company is achieved in great level. He was responsible for the Company's daily operation, including but not limited to submitting tender proposals and undertaking construction projects, managing its corporate accounting and administrative matter, monitoring the logistics of projects and contacting suppliers and customers, such as authorized agents appointed by the Oil Majors. Mr. Fong has also been the director of Jet Good Limited since April 2005, a company whose principal business involves the provision of construction materials and related logistics services in Hong Kong, where he has gained experience in business operation and management expertise.

Mr. Fong has completed the Hong Kong Advanced Level Examination in July 1999 and has been a committee member of the 13th and 14th sessions of the Chinese People's Political Consultative Conference Guangzhou City Yue Xiu District Committee (中國人民政治協商會議廣州市越秀區委員會) since May 2008 and the committee member of the 13th session of the Chinese People's Political Consultative Conference Guangzhou Committee (中國人民政治協商會議廣州市委員會) since January 2017. Mr. Fong is the director and the chairman of the audit committee of Pok Oi Hospital, a non-profit hospital in Hong Kong since 2012 and the director of the planning and procedure department of

the Hong Kong Road Safety Patrol since March 2015. He is also the current honorary president of the Hong Kong Girl Guides Association Shatin branch. Mr. Fong is the spouse of Ms. Lo.

Saved as disclosed above, he was not a director in any listed companies for the last three preceding years.

Ms. Lo Pui Yee (“Ms. Lo”), aged 43, was appointed as the executive Director, and vice chairlady on 22 August 2016. Ms. Lo is responsible for supervising the overall administration and operation of the Group. She has more than 19 years of experience in the business administration and marketing area. Ms. Lo joined the Group in June 2016.

Ms. Lo has completed the Hong Kong Advanced Level Examination in July 1999. Since June 2002, Ms. Lo has gained exposure in the daily administration, operation and executive management and has been a sole proprietor of Alpha Communications Company, which carries on the business of the provision of telecommunication and internet services, and has been responsible for supervising the business development and corporate governance. Since 2011, Ms. Lo has been a director and shareholder of Luxe Tuxedo Limited, an apparel company offering high-end men’s formal suit and attire in Hong Kong, responsible for overseeing the administrative function, enhancing communication channels between management and staff and product branding. Ms. Lo is the spouse of Mr. Fong.

Saved as disclosed above, she was not a director in any listed companies for the last three preceding years.

Mr. Chan Chi Fai (“Mr. Chan”), aged 41, was appointed as the executive Director and chief executive officer on 22 August 2016 and is responsible for the operation of the fleet of tank wagon and business strategies implementation. Mr. Chan has joined Great Wall (International) Oil Company since September 2010.

Mr. Chan obtained a higher certificate and a higher diploma in Civil Engineering from the Hong Kong Institute of Vocational Education in July 2007 and July 2009, respectively. Mr. Chan also completed the certificate for Safety Supervisor (Construction Industry), Safety Training Techniques Course and Safe Working Cycle Course in February 2002, January 2009 and January 2009, respectively. Prior to joining the Group, Mr. Chan worked as a foreman in Yuk Shing Engineering Co., Limited from March 2000 to February 2007 whose principal business is construction and engineering, responsible for general site operation for drainage work and earthwork. From March 2007 to July 2010, Mr. Chan joined Vibro (H.K.) Limited and was promoted as a geotechnical field technician, whose principal business is construction, responsible for ground investigation arrangement and carrying out necessary testing.

Saved as disclosed above, he was not a director in any listed companies for the last three preceding years.

Independent non-executive Directors

Mr. Chui Chi Yun, Robert (“**Mr. Chui**”), aged 65, was appointed as the independent non-executive Director on 23 March 2017. Mr. Chui is the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

Mr. Chui obtained a Bachelor’s degree in commerce from the Concordia University in June 1978 and was awarded the Medal of Honour by the Government of Hong Kong Special Administrative Region in 2014. Mr. Chui is currently a practicing certified public accountant in Hong Kong and is a fellow member of the Hong Kong Society of Accountants since June 1991 and the Chartered Association of Certified Accountants since May 1989. Mr. Chui has over 35 years of experience in the accounting field and is the founder of a Hong Kong accounting firm, Robert Chui CPA Limited since August 1991.

Mr. Chui has been appointed as an independent non-executive director of Tse Sui Luen Jewellery (International) Limited, (Hong Kong stock code: 417), National Arts Entertainment and Culture Group Limited (currently known as National Arts Group Holdings Limited)), (Hong Kong stock code: 8228), Wing Lee Property Investments Limited (Hong Kong stock code: 864) and Asia Cassava Resources Holdings Limited (Hong Kong stock code: 841) since April 1999, May 2009, February 2013 and August 2018, respectively. From June 2015 to July 2018, Mr. Chui was appointed as an independent non-executive director of PPS International (Holdings) limited (Hong Kong stock code: 8201).

Saved as disclosed above, he was not a director in any listed companies for the last three preceding years.

Mr. Kwong Yuk Lap (“**Mr. Kwong**”), aged 46, was appointed as the independent non-executive Director on 23 March 2017. Mr. Kwong is the chairman of the Nomination Committee and a member of the Audit Committee.

Mr. Kwong obtained a Bachelor’s degree in electronics from The Open University of Hong Kong in December 2001, a diploma in information technology from the School of Professional and Continuing Education of The University of Hong Kong in June 2004 and a master degree in information technology from Charles Sturt University, Australia in November 2005.

From December 2013 to October 2015, Mr. Kwong was appointed as a non-executive director of Wealth Glory Holdings Limited (Hong Kong stock code: 8269), whose principal activities involve manufacture and sale of fresh and dried noodles, investment holding in coal trading business, trading of natural resources and commodities and money lender. From November 2015 to August 2016, Mr. Kwong was redesignated as an executive director of Wealth Glory Holdings Limited.

Saved as disclosed above, he was not a director in any listed companies for the last three preceding years.

Mr. Wang Anyuan (“Mr. Wang”), aged 51, was appointed as the independent non-executive Director on 23 March 2017. Mr. Wang is the chairman of the Remuneration Committee and a member of the Audit Committee.

Mr. Wang obtained a Bachelor’s degree specialising in maritime and communication accounting from the Shanghai Maritime University in July 1994. He joined China Merchants Group and served as the manager of the audit (risk assurance) department from September 1996 to July 2001, the chief financial officer of China Merchants Securities (HK) Company Limited from July 2001 to January 2007 and general manager of audit (risk assurance) department of China Merchants Finance Holdings Company Limited from February 2007 to February 2008. In April 2008, Mr. Wang served BOCOM International Holdings Company Limited as an executive director and head of China operation, responsible for the equity sales. From June to December 2009, Mr. Wang served CITIC Securities International as a director and head of China operation, responsible for their securities business and had been the account executive of CITIC Securities International Company Limited from January 2010 to November 2012. In October 2012, Mr. Wang served as a deputy head of brokerage department of China Investment Securities (Hong Kong) Financial Holdings Limited, responsible for securities trading. In February 2013, Mr. Wang served as a responsible officer of China Investment Securities International Brokerage Limited of Type 1 (Dealing in Securities) regulated activities as defined in the SFO. Since May 2013, Mr. Wang joined Orient Finance Holdings (Hong Kong) Limited as a business director of the brokerage department. Mr. Wang has been appointed as an executive director, compliance officer and authorised representative of Code Agriculture (Holdings) Limited (Hong Kong stock code: 8153) from September 2015 to January 2018. Mr. Wang is licensed with the SFC as a representative of Orient Securities (Hong Kong) Limited to carry out type 1 (dealing in securities) regulated activity and as a representative of Orient Futures (Hong Kong) Limited to carry out type 2 (dealing in futures contract) regulated activity.

Saved as disclosed above, he was not a director in any listed companies for the last three preceding years.

Senior Management

Mr. Cheung Lee Kwok (“Mr. Cheung”), aged 44, is the chief operation officer and is responsible for overseeing the daily operation and general financial management of the Group. Mr. Cheung has joined the Group since April 2016.

Mr. Cheung has over 14 years of experience in operational management. He obtained a bachelor’s degree in mathematics from the National Central University, Taiwan, in June 2002. Prior to joining the Group, Mr. Cheung worked as an information technology engineer in Di Sheng Computer Limited (迪生電腦有限公司*) from March 2004 to July 2005, and from January 2007 to May 2007, responsible for conducting products testing and providing customer support. From June 2007 to April 2010, Mr. Cheung worked as an engineer in Chunghwa Picture Tubes, Ltd. (中華映管股份有限公司) whose principal business is involved in the optoelectronic industry (Taiwan stock exchange, stock code: 2475, and Luxembourg stock exchange, ISIN code: US17133M7092), responsible for

supervising the production operation and quality control, as well as managing technicians and support staffs for improving operational efficiency. Mr. Cheung then worked in the sale of diesel oil related business in Great Wall (International) Company for six years from April 2010 to March 2016, responsible for the daily operations of the sole proprietorship.

Business address of the Directors and senior management

The business address in Hong Kong of each of the above Directors and senior management of the Company is Unit 3304, 33/F, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

13. MISCELLANEOUS

- (i) The company secretary of the Company is Ms. Leung Yin Fai, who is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of both the Association of Chartered Certified Accountants in the United Kingdom and the CPA Australia.
- (ii) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong is at Unit 3304, 33/F, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong.
- (iv) The English text of this Prospectus shall prevail over the Chinese text in the event of inconsistency.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “10. Expert and consent” in this appendix have been delivered to and registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.

15. 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. When an acceptance or 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.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.f8.com.hk) and are on display for a period of 14 days from the date of this Prospectus:

- (a) the report from HLB Hodgson Impey Cheng Limited on the unaudited pro forma financial information of the Group in respect of the Rights Issue as set out in Appendix II to this Prospectus;
- (b) the material contracts referred to in the paragraph headed “7. Material contracts” in this appendix; and
- (c) the written consent referred to in the paragraph headed “10. Expert and consent” in this appendix.