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**ROMA (META) GROUP LIMITED**

**羅馬(元宇宙)集團有限公司\***

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

**(Stock Code: 8072)**

- (I) PROPOSED SHARE CONSOLIDATION;  
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED  
SHARE HELD ON THE RECORD DATE ON A NON-FULLY  
UNDERWRITTEN BASIS;  
(III) CONNECTED TRANSACTION IN RELATION TO THE  
UNDERWRITING AGREEMENT;  
(IV) APPLICATION FOR WHITEWASH WAIVER;  
(V) CHANGE IN USE OF PROCEEDS;  
AND  
(VI) RESUMPTION OF TRADING**

**Financial adviser to the Company**



**英皇企業融資有限公司**  
Emperor Corporate Finance Limited

**Placing Agent to the Rights Issue**



**英皇證券有限公司**  
Emperor Securities Limited

**Underwriter to the Rights Issue**

**Aperto Investments Limited**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**



**Gram Capital Limited**  
**嘉林資本有限公司**

\* for identification purpose only

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every twenty (20) issued and unissued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 842,481,660 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued or repurchased from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 42,124,083 Consolidated Shares in issue which are fully paid or credited as fully paid.

## **PROPOSED RIGHTS ISSUE**

The Company proposes, subject to the Share Consolidation becoming effective, to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price of HK\$0.2 per Rights Share, to raise up to approximately HK\$25.3 million before expenses (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) by way of the rights issuing up to 126,372,249 Rights Shares (assuming as aforesaid) to the Qualifying Shareholders. The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$24.2 million (assuming no change in the issued share capital of the Company on or before the Record Date and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full). The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.19. For details of intended use of proceeds, please refer to the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds” in this announcement.

The Rights Issue will proceed on a non-fully underwritten basis. Save for the Undertaken Shares and the Underwritten Shares, there is no requirement for a minimum level of subscription. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, by 4:30 p.m. on Monday, 2 September 2024. The last day of dealing in the Consolidated Shares on cum-rights basis is Thursday, 29 August 2024. The Consolidated Shares will be dealt with on an ex-rights basis from Friday, 30 August 2024.

## **THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT**

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 15 July 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

### **IRREVOCABLE UNDERTAKING AND THE UNDERWRITING AGREEMENT**

As at the date of this announcement, Aperto Investments holds 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective), representing approximately 27.34% of the existing issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Aperto Investments has unconditionally and irrevocably undertaken to the Company, among other things, that (i) it will not sell or transfer such Shares before the Latest Time for Acceptance or the termination of the Rights Issue; and (ii) it will accept a total of 34,554,000 Rights Shares, being its full entitlements to the provisional allotment under the Rights Issue.

The Rights Issue is non-fully underwritten by Aperto Investments. Pursuant to the Underwriting Agreement, Aperto Investments has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Aperto Investments and the Undertaken Shares, and depending on the number of Untaken Rights Shares, up to 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue. For the avoidance of doubt, in the event that the number of Shares already held by Aperto Investments together with the Undertaken Shares exceed 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue, no Rights Share will be underwritten by Aperto Investments under the Underwriting Agreement. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this announcement.

## **CHANGE IN USE OF PROCEEDS**

As disclosed in the annual results announcement of the Company for the year ended 31 March 2024, due to unforeseen delays caused by the continuing high interest rate environment which has led to poor investment environment, the net proceeds of approximately HK\$55.9 million from the 2017 Rights Issue, which was intended to use for the investment in potential businesses, remained unutilised as at 31 March 2024 (“**Unutilised Proceeds**”). The Board, having considered the current needs of working capital of the Group, as well as the prevailing market conditions, resolved to change the use of the Unutilised Proceeds. The Board resolves to reallocate the Unutilised Proceeds together with net proceeds from the Rights Issue in the manner as set out in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds”.

## **GEM LISTING RULES IMPLICATION**

As the Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue under Rule 10.29(1) of the GEM Listing Rules. Since there is no controlling shareholder, Mr. Yue and his associates shall abstain from voting in favour of the resolutions to approve the Rights Issue at the EGM. As at the date of this announcement, save for Mr. Yue and Mr. Chung, none of the Directors or chief executives of the Company had any interests in the Shares.

As at the date of this announcement, Aperto Investments holds 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective), representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company. As such, the Aperto Investments is a connected person of the Company under Chapter 20 of the GEM Listing Rules and the transactions contemplated under the Underwriting Agreement constitute connected transactions for the Company under the GEM Listing Rules and are subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

## **TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR THE WHITEWASH WAIVER**

As at the date of this announcement, Aperto Investments, Mr. Luk and parties acting in concert with any of them are interested in 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective) in aggregate, representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company.

Assuming (i) there is no change in the number of issued Shares from the date of this announcement up to and including the date of closing of the Rights Issue; (ii) none of the Qualifying Shareholders other than the Aperto Investments have taken up their entitlements under the Rights Issue; and (iii) none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been taken up under the Compensatory Arrangements, the aggregate interests in the Company held by Aperto Investments, Mr. Luk and parties acting in concert with any of them upon the completion of the Rights Issue will increase from the current level of approximately 27.34% to approximately 60.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. Aperto Investments will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by it pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

An application will be made by the Aperto Investments to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder. Aperto Investments, Mr. Luk and parties acting in concert with any of them and those who are involved in and/or interested in the Rights Issue, the Placing Agreement, the Underwriting Agreement or the Whitewash Waiver are required to abstain from voting on the proposed resolution approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver at the EGM. If the Whitewash Waiver is not granted by the Executive, the Rights Issue will not proceed.

## **THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising Mr. Chung Man Lai, Ms. Li Tak Yin and Ms. Suen Tin Yan, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver and as to the voting action therefor. In this connection, Gram Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver and as to whether the terms of the Rights Issue and the Whitewash Waiver are fair and reasonable and as to the voting action therefor. The appointment of Gram Capital has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the Rights Issue and the Whitewash Waiver. A circular containing, among other things, (i) further details of the Share Consolidation and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver and the transactions contemplated thereunder; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders on the Rights Issue and the Whitewash Waiver and the transactions contemplated thereunder; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Monday, 12 August 2024.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 16 July 2024 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 23 July 2024.

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

**Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the 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” in this announcement). Accordingly, the Rights Issue may or may not proceed.**

**Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

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

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every twenty (20) issued and unissued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share.

## **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$576,000,000 divided into 57,600,000,000 Existing Shares of par value of HK\$0.01 each, of which 842,481,660 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Assuming no further Existing Shares will be issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$576,000,000 divided into 2,880,000,000 Consolidated Shares of HK\$0.20 each, of which 42,124,083 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Stock Exchange granting listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the GEM Listing Rules to effect the Share Consolidation.

## **Listing application**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Adjustments in relation to other securities of the Company**

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Thursday, 29 August 2024, being the second Business Day immediately after the date of the EGM, the Shareholders may during the period from Thursday, 29 August 2024 to Tuesday, 8 October 2024 (both days inclusive) submit existing share certificates for the Existing Shares (in the colour of blue) to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of gold) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.



After 4:10 p.m. on Tuesday, 8 October 2024, share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

### **Reasons for the Share Consolidation**

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2024 has further stated that (i) market price of the shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

For the last year, the closing price of the Company has been continuously below HK\$0.1 and the existing board lot value has been less than HK\$2,000. The Share Consolidation will increase the nominal value of the Existing Shares and would bring about a corresponding upward adjustment in the expected value per board lot. The Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

Thus, the Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors and to broaden the shareholder base of the Company. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. Save for the Rights Issue, the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

## PROPOSED RIGHTS ISSUE

The Company proposes, subject to the Share Consolidation becoming effective, to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price of HK\$0.2 per Rights Share, to raise up to approximately HK\$25.3 million before expenses (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) by way of the rights issuing up to 126,372,249 Rights Shares (assuming as aforesaid) to the Qualifying Shareholders.

### Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date
Subscription Price	:	HK\$0.2 per Rights Share (after the Share Consolidation has become effective)
Number of Existing Shares in issue at the date of this announcement	:	842,481,660 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	42,124,083 Consolidated Shares (assuming no change in the number of Shares in issue on or before the date on which the Share Consolidation became effective)
Number of Rights Shares	:	Up to 126,372,249 Rights Shares (assuming no change in the number of Shares in issue on or before the date on which the Share Consolidation became effective), representing 300% of the Company's issued number of Consolidated Shares as at the date of this announcement and 75.0% of the enlarged issued share capital of the Company upon completion of the Rights Issue.
Gross proceeds and net proceeds	:	Assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full:  Gross proceeds: up to approximately HK\$25.3 million  Net proceeds (after deducting the estimated expenses): up to approximately HK\$24.2 million
Aggregate nominal value of the Rights Shares	:	Up to HK\$25,274,449.8

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

### **Subscription Price**

The Subscription Price is HK\$0.2 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents (assuming the Share Consolidation has become effective as at the date of this announcement):

- (i) a discount of approximately 23.08% to the theoretical closing price of HK\$0.26 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.013 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 24.24% to the theoretical benchmarked price of HK\$0.264 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the benchmarked price of HK\$0.0132 per Existing Share;
- (iii) a discount of approximately 7.41% to the theoretical ex-rights price of approximately HK\$0.216 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the benchmark price of HK\$0.0132 per Existing Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.013 per Existing Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Placing Agreement and the Underwriting Agreement of approximately HK\$0.0132 per Existing Share);
- (iv) a discount of approximately 97.23% over the net asset value of the Company of approximately HK\$7.21 per Consolidated Share based on the audited net asset value of the Company of approximately HK\$303,691,000 as at 31 March 2024 as disclosed in the annual results announcement of the Company for the year ended 31 March 2024 and 42,124,083 Consolidated Shares assuming the Share Consolidation has become effective; and
- (v) a theoretical dilution effect (as defined under the GEM Listing Rules) represented by a discount of approximately 18.18% of the theoretical ex-rights price of HK\$0.216 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price of HK\$0.264 per Consolidated Share.

The Subscription Price was determined by the Board with reference to, among others, (i) the market price of the Shares under the prevailing market conditions, (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds” in this announcement. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds” in this announcement, the Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by Gram Capital) consider that, the terms of the proposed Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a Shareholder at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as Shareholder at the close of business on the Record Date, all transfers of the Consolidated Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, by 4:30 p.m. on Monday, 2 September 2024.

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Thursday, 29 August 2024, and the Consolidated Shares will be dealt with on an ex-rights basis from Friday, 30 August 2024.

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

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

### **Rights of Overseas Shareholders (if any)**

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

In compliance with 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 (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will despatch the Prospectus (without the PAL) to the Non-Qualifying Shareholders for their information only on the Prospectus Posting Date.

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

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

### **Closure of register of members**

The register of members of the Company will be closed from Tuesday, 3 September 2024 to Monday, 9 September 2024 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of the Consolidated Shares will be registered during the above book closure periods.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Consolidated Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Fractional entitlements to the Rights Shares**

On the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date, no fractional entitlement will arise under the Rights Issue.

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

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

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

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 15 July 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best efforts basis, procure, by not later than 4:00 p.m. on Friday, 4 October 2024, placees for all (or as many as possible) of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the relevant No Action Shareholders and Non-Qualifying Shareholders as set out below on pro-rata basis (but rounded down to the nearest cent):

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

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of (i) more than HK\$100, the entire amount will be paid to the relevant No Action Shareholders or Non-Qualifying Shareholders in Hong Kong Dollars only; or (ii) HK\$100 or less, such amount will be retained by the Company for its own benefit.

## Placing Agreement

Details of the Placing Agreement are summarised as follows:

- Date : 15 July 2024
- Issuer : The Company
- Placing Agent : Emperor Securities Limited was appointed as the Placing Agent to procure, on a best efforts basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period.
- The Placing Agent is a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties
- Placing Period : The period commencing from the second Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the sixth Business Day after the Latest Time for Acceptance.
- Commission and expenses : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 1.25% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, with minimum charge of HK\$100,000, pursuant to the terms of the Placing Agreement.
- Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

For avoidance of doubt, no placee shall be interested in 20% or more of the Company's issued share capital upon the completion of the Rights Issue and the Placing Agent shall ensure that the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

- Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
- Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:
- (i) the Share Consolidation becoming effective;
  - (ii) the Company's warranties contained in the Placing Agreement remain true and accurate and not misleading in all material respects at all time prior to the date of completion of the Rights Issue; and
  - (iii) the Stock Exchange granting the listing of, and permission to deal in, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares with or without conditions.

In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Placing Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof prior to such termination).



## Termination

: Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Placing Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or

- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion of the Rights Issue which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The engagement between the Company and the Placing Agent of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As explained above, the Rights Shares that are not accepted by the Qualifying Shareholders, together with the Rights Shares that the Non-Qualifying Shareholders are entitled to under the Rights Issue, will be placed by the Placing Agent to Independent Third Parties on a best efforts basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Rights Shares that are not placed by the Placing Agent and not taken up by the Underwriter will not be issued by the Company. As at the date of this announcement, the Placing Agent has not identified any Placee(s).

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

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

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 15 October 2024.

Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares, or if the Rights Issue does not proceed, are expected to be despatched on or before Tuesday, 15 October 2024 to the applicants without interest to their registered addresses by ordinary post at their own risks.

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

The Company will apply to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in the board lot of size of 20,000 Rights Shares, in both their nil-paid and fully-paid forms.

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.

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

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, the Rights Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Taxation**

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

## **Irrevocable Undertaking from Aperto Investments**

As at the date of this announcement, Aperto Investments holds 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective), representing approximately 27.34% of the existing issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Aperto Investments has unconditionally and irrevocably undertaken to the Company, among other things, that (i) it will not sell or transfer such Shares before the Latest Time for Acceptance or the termination of the Rights Issue; and (ii) it will accept a total of 34,554,000 Rights Shares, being its full entitlements to the provisional allotment under the Rights Issue.

## **THE UNDERWRITING AGREEMENT**

The Rights Shares will be non-fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below.

### **Underwriting Agreement**

Date : 15 July 2024  
Issuer : The Company  
Underwriter : Aperto Investments

Aperto Investments is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding. As at the date of this announcement, Aperto Investments is beneficially interested in 230,360,000 Existing Shares, representing approximately 27.34% of the total issued share capital of the Company and is a substantial shareholder of the Company. As such, the Underwriter complies with Rule 10.24A(2) of the GEM Listing Rules.

- Number of Rights Shares underwritten by the Underwriter : Aperto Investments has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Aperto Investments and the Undertaken Shares, and depending on the number of Untaken Rights Shares, up to 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue. For the avoidance of doubt, in the event that the number of Shares already held by Aperto Investments together with the Undertaken Shares exceed 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue, no Rights Share will be underwritten by Aperto Investments under the Underwriting Agreement
- Commission : The Underwriter will not receive any underwriting commission

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. The Directors consider that the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

### **Termination of the Underwriting Agreement**

If prior to the Latest Time for Underwriting Termination, one or more of the following events or matters shall develop, occur, arise, exist or come into effect:

- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of Underwriting Agreement;
- (ii) 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 signing of the Underwriting Agreement and/or continuing after the signing of the Underwriting Agreement) of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, act of terrorism, strike or lock-out;

- (v) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (vi) any change or any development involving a prospective change or any event or circumstance likely to result in a change or development involving a prospective change, in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs;
- (vii) the Circular and/or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company in compliance with the GEM Listing Rules;
- (viii) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;
- (ix) any litigation, dispute, legal action, arbitration, proceeding or claim of any third party being threatened or instigated against any member of the Group;
- (x) a creditor takes possession of all or a material part of the business or asset of any member of the Group or any execution or other legal process is enforced against all or a material part of the business or assets of any member of the Group and is not discharged within (7) days or such longer period as the Underwriter may approve; or
- (xi) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter,

which, individually or in aggregate, in the absolute opinion of the Underwriter:

- (a) has had or is/are likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
- (b) is/are likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares "taken up"; or
- (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Underwriting Termination, to terminate the Underwriting Agreement.

Any such notice shall be served by the Underwriter prior to the Latest Time for Underwriting Termination.

**If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.**

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

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

- (i) the passing of all necessary resolutions by the Independent Shareholders to be proposed at the EGM for approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver;
- (ii) the Share Consolidation becoming effective;
- (iii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
- (iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);
- (vi) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of any condition attached to the Whitewash Waiver granted;
- (vii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;
- (viii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms and conditions; and
- (ix) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before the Latest Time for Underwriting Termination, the Rights Issue will not proceed.

## **CHANGE IN USE OF PROCEEDS**

As disclosed in the annual results announcement of the Company for the year ended 31 March 2024, due to unforeseen delays caused by the continuing high interest rate environment which has led to poor investment environment, the net proceeds of approximately HK\$55.9 million from the 2017 Rights Issue, which was intended to use for the investment in potential businesses, remained unutilised as at 31 March 2024 (“**Unutilised Proceeds**”). The Board, having considered the current needs of working capital of the Group, as well as the prevailing market conditions, resolved to change the use of the Unutilised Proceeds. The Board resolves to reallocate the Unutilised Proceeds together with net proceeds from the Rights Issue in the manner as set out in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds”.

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

The principal activity of the Company is an investment holding and the Group is principally engaged in the provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services.

The estimated net proceeds of the Rights Issue, if fully subscribed, will be up to approximately HK\$24.2 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to utilise the net proceeds from the Rights Issue, together with the Unutilised Proceeds of approximately HK\$55.9 million, in the following manner:

- (i) approximately HK\$48.0 million will be used for staff cost (including salaries, bonus and allowances) covering approximately 18 months;
- (ii) approximately HK\$10.0 million will be used for expansion of the Group’s existing businesses in the provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services;
- (iii) approximately HK\$12.0 million will be used for the repayment of interest-bearing borrowings which are unrelated to Shareholders. As at the date of this announcement, there is no outstanding indebtedness payable to any Shareholder. For avoidance of doubt, no repayment will be made to any Shareholder (including Aperto Investments, Mr. Luk and parties acting in concert with any of them); and
- (iv) the remaining net proceeds will be used for other general working capital and general corporate purposes.



The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.19.

The Board considers that the Rights Issue will provide an opportunity to raise capital for the Company to accommodate the funding need for the operation and expansion of the Group, as well as repayment of indebtedness of the Group whilst increasing the capital base and financial position of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Share Consolidation becoming effective; and (iii) immediately upon completion of the Rights Issue:

Name of Shareholder	As at the date of this announcement		Immediately upon Share Consolidation becoming effective		Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders other than Mr. Yue and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent) <sup>Note 2</sup>		Immediately after completion of the Rights Issue (assuming only Aperto Investments have taken up on the Rights Shares and none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent)	
	Number of Existing Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %
<b>Substantial Shareholder</b>								
Aperto Investments <sup>Note 1</sup>	230,360,000	27.34%	11,518,000	27.34%	46,072,000	27.34%	46,072,000	60.08%
Subtotal of Aperto Investments, Mr. Luk and parties acting in concert with any of them	230,360,000	27.34%	11,518,000	27.34%	46,072,000	27.34%	46,072,000	60.08%
<b>Directors</b>								
Mr. Yue <sup>Note 2</sup>	56,580,000	6.72%	2,829,000	6.72%	2,829,000	1.68%	2,829,000	3.69%
Mr. Chung	1,250	0.00%	62	0.00%	248	0.00%	62	0.00%
<b>Public Shareholders</b>								
Independent placees	—	—	—	—	8,487,000	5.04%	—	—
Other public shareholders	555,540,410	65.94%	27,777,021	65.94%	111,108,084	65.94%	27,777,021	36.23%
<b>Total</b>	<u>842,481,660</u>	<u>100.00%</u>	<u>42,124,083</u>	<u>100.00%</u>	<u>168,496,332</u>	<u>100.00%</u>	<u>76,678,083</u>	<u>100.00%</u>

*Notes:*

1. The entire issued share capital of Aperto Investments was legally and beneficially owned by Mr. Luk. Under the SFO, Mr. Luk was deemed to be interested in all the Shares held by Aperto Investments.
2. The 56,580,000 Existing Shares are held by Fast and Fabulous Company Limited, which is the trustee of the share award plan of the Company adopted on 22 June 2018, and is wholly owned by Mr. Yue. According to the rules of the share award plan, the trustee shall not exercise the voting rights and/or accept its pro rata entitlement under Rights Issue in respect of the Shares held by it under the trust.

## **FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has conducted the following fund-raising activities in the 12 past months before the date of this announcement.

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds (approximately)</b>	<b>Proposed use of net proceeds</b>	<b>Actual use of proceeds</b>
21 July 2023	Placing of new shares under general mandate	HK\$4.54 million	General working capital of the Group	Used as intended

Save for the fund raising activity disclosed above, the Company had not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

## **EXPECTED TIMETABLE**

Set out below is the expected timetable for the proposed Share Consolidation and the proposed Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable.

<b>Events</b>	<b>Date (2024)</b>
Expected date of despatch of the Circular in relation to the Rights Issue to the Shareholders together with notice of EGM and proxy form for EGM.....	Monday, 12 August
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM.....	4:30 p.m. on Tuesday, 20 August
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive) .....	Wednesday, 21 August to Tuesday, 27 August
Latest time for lodging proxy forms for the EGM.....	11:00 a.m. on Sunday, 25 August

<b>Events</b>	<b>Date (2024)</b>
Record date for attendance and voting at the EGM .....	Tuesday, 27 August
Expected date and time of the EGM to approve the proposed Share Consolidation, the Rights Issue and the Whitewash Waiver.....	11:00 a.m. on Tuesday, 27 August
Announcement of the poll results of the EGM .....	Tuesday, 27 August
Register of members of the Company re-opens.....	Wednesday, 28 August

**The following events are conditional on the fulfilment of the conditions relating to the implementation of the Share Consolidation and the Rights Issue and therefore the dates are tentative only:**

<b>Events</b>	<b>Date (2024)</b>
Effective date of the Share Consolidation .....	Thursday, 29 August
Commencement of dealings in the Consolidated Shares... 9:00 a.m. on Thursday, 29 August	
Original counter for trading in Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes .....	9:00 a.m. on Thursday, 29 August
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 a.m. on Thursday, 29 August
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares .....	Thursday, 29 August
Last day of dealings in the Consolidated Shares on a cum-right basis relating to the Rights Issue .....	Thursday, 29 August
First day of dealings in the Consolidated Shares on an ex-right basis relating to the Rights Issue.....	Friday, 30 August
Latest time for the Shareholders to lodge transfer documents of Consolidated Shares in order to be qualified for the Rights Issue.....	4:30 p.m. on Monday, 2 September
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive) .....	Tuesday, 3 September to Monday, 9 September
Record date for the Rights Issue .....	Monday, 9 September
Register of members of the Company re-opens.....	Tuesday, 10 September

<b>Events</b>	<b>Date (2024)</b>
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus for information purpose only .....	Tuesday, 10 September
Original counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of new share certificates) re-opens .....	9:00 a.m. on Thursday, 12 September
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences .....	9:00 a.m. on Thursday, 12 September
Designated broker starts to stand in the market to provide matching services for odd lot of the Consolidated Shares .....	9:00 a.m. on Thursday, 12 September
First day of dealings in nil-paid Rights Shares .....	Thursday, 12 September
Latest time for splitting the PALs .....	4:30 p.m. on Monday, 16 September
Last day of dealings in nil-paid Rights Shares .....	Friday, 20 September
Latest time for acceptance of and payment for the Rights Shares .....	4:00 p.m. on Wednesday, 25 September
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to Compensatory Arrangements .....	Thursday, 26 September
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent .....	Friday, 27 September
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent .....	4:00 p.m. on Friday, 4 October
Designated broker ceases to provide matching services for odd lot of the Consolidated Shares .....	4:00 p.m. on Friday, 4 October
Temporary counter for trading in the Consolidated Shares (in the form of existing share certificates) closes .....	4:10 p.m. on Friday, 4 October
Parallel trading in the Consolidated Shares (represented by both existing share certificates and new share certificates) ends .....	4:10 p.m. on Friday, 4 October
Latest time for termination of the Placing Agreement for the Rights Issue to become unconditional .....	4:00 p.m. on Monday, 7 October

**Events****Date (2024)**

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares .....	Tuesday, 8 October
Latest time for the termination of the underwriting agreement.....	4:00 p.m. on Thursday, 10 October
Announcement of results of the Rights Issue.....	Monday, 14 October
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any).....	Tuesday, 15 October
Commencement of dealings in fully-paid Rights Shares.....	Wednesday, 16 October
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders (if any).....	Wednesday, 30 October

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Share Consolidation and the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

**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 will not take place if there is a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 25 September 2024. Instead, the latest time for acceptance of and payment for the 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 Wednesday, 25 September 2024. Instead, the latest time for acceptance of and payment for the 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 does not take place on the currently scheduled date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

## DEALINGS AND INTEREST IN THE SECURITIES OF THE COMPANY

As at the date of this announcement, neither Aperto Investments, Mr. Luk nor any parties acting in concert with any of them:

- (a) save for the Shares as set out in the section headed “Shareholding structure of the Company” above, owns, controls or has direction over any Shares and right over Shares, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) has received any irrevocable commitment to vote for or against the Rights Issue, the Placing Agreement, the Underwriting Agreement and/or the Whitewash Waiver;
- (c) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (d) save for the Irrevocable Undertaking given by the Aperto Investments, details of which as set out in the paragraph headed “Irrevocable Undertaking from Aperto Investments” above, has any arrangements referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Rights Issue, the Placing Agreement, the Underwriting Agreement and/or the Whitewash Waiver, with any other persons;
- (e) save that the Rights Issue is conditional upon obtaining of the Whitewash Waiver by the Underwriter as set out in the paragraph headed “Conditions of the Rights Issue” above and the Irrevocable Undertaking, has any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Rights Issue and/or the Placing Agreement and/or the Underwriting Agreement and/or the Whitewash Waiver;
- (f) has dealt in any relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) in the six-month period preceding the date of this announcement;  
or
- (g) has entered into any derivative in respect of the securities in the Company which are outstanding

As at the date of this announcement:

- (a) apart from the Rights Shares to be subscribed and underwritten by the Aperto Investments, the Company has not paid and will not pay any other consideration, compensation or benefit in whatever form to Aperto Investments, Mr. Luk and any parties acting in concert with any of them in connection with the Rights Issue, the Placing Agreement and the Underwriting Agreement;
- (b) save for the Subscription Price, there is no other consideration, compensation, or benefit in whatever form paid or to be paid by Aperto Investments, Mr. Luk and parties acting in concert with any of them to the Group in relation to the Rights Issue;

- (c) apart from the Underwriting Agreement and the Irrevocable Undertaking therein, there is no other understanding, arrangement or special deal between the Group on the one hand, and the Aperto Investments, Mr. Luk and any parties acting in concert with any of them on the other hand; and
- (d) apart from the Underwriting Agreement and the Irrevocable Undertaking, there is no understanding, arrangement or agreement or special deal between (i) any Shareholders; and (ii) (a) Aperto Investments, Mr. Luk or any parties acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies.

## **TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR THE WHITEWASH WAIVER**

As at the date of this announcement, Aperto Investments, Mr. Luk and parties acting in concert with any of them are interested in 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective) in aggregate, representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company.

Assuming (i) there is no change in the number of issued Shares from the date of this announcement up to and including the date of closing of the Rights Issue; (ii) none of the Qualifying Shareholders other than the Aperto Investments have taken up their entitlements under the Rights Issue; and (iii) none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been taken up under the Compensatory Arrangements, the aggregate interests in the Company held by Aperto Investments, Mr. Luk and parties acting in concert with any of them upon the completion of the Rights Issue will increase from the current level of approximately 27.34% to approximately 60.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. Aperto Investments will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by it pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

An application will be made by the Aperto Investments to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder. Aperto Investments, Mr. Luk and parties acting in concert with any of them and those who are involved in and/or interested in the Rights Issue, the Placing Agreement, the Underwriting Agreement or the Whitewash Waiver are required to abstain from voting on the proposed resolution approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver at the EGM. If the Whitewash Waiver is not granted by the Executive, the Rights Issue will not proceed.

As at the date of this announcement, the Company does not believe that the Rights Issue, the Placing Agreement and the Underwriting Agreement give rise to any concerns in relation to compliance with other applicable rules or regulations (including the GEM Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue, the Placing Agreement and the Underwriting Agreement do not comply with other applicable rules and regulations.

## **GEM LISTING RULES IMPLICATION**

As the Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue under Rule 10.29(1) of the GEM Listing Rules. Since there is no controlling shareholder, Mr. Yue and his associates shall abstain from voting in favour of the resolutions to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the date of this announcement, save for Mr. Yue and Mr. Chung, none of the Directors or chief executives of the Company had any interests in the Shares.

As at the date of this announcement, Aperto Investments holds 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective), representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company. As such, the Aperto Investments is a connected person of the Company under Chapter 20 of the GEM Listing Rules and the transactions contemplated under the Underwriting Agreement constitute connected transactions for the Company under the GEM Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Aperto Investments and its associates shall abstain from voting in respect of the resolution relating to the Underwriting Agreement at the EGM.

As at the date of this announcement, save for the Irrevocable Undertaking from Aperto Investments, the Company has not received any other irrevocable commitments to accept or reject the Rights Shares or to vote for or against the Rights Issue.

## **EGM**

The register of members of the Company will be closed from Wednesday, 21 August 2024 to Tuesday, 27 August 2024 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The EGM will be convened and held for the purpose of considering and, if thought fit, the Share Consolidation and the Rights Issue. Save for Aperto Investments, Mr. Luk and parties acting in concert to any of them and Mr. Yue, there is no other shareholder who shall be abstained to vote on the resolution(s) to approve the Rights Issue at the EGM. Save for Aperto Investments, Mr. Luk and parties acting in concert with them, there is no other shareholder who shall be abstained to vote on the resolution(s) to approve the Underwriting Agreement and the Whitewash Waiver at the EGM.



## **THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising Mr. Chung Man Lai, Ms. Li Tak Yin and Ms. Suen Tin Yan, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver and as to the voting action therefor. In this connection, Gram Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver and as to whether the terms of the Rights Issue and the Whitewash Waiver are fair and reasonable and as to the voting action therefor. The appointment of Gram Capital has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver. A circular containing, among other things, (i) further details of the Share Consolidation, the Rights Issue and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders on the Rights Issue and the Whitewash Waiver; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Monday, 12 August 2024.

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

**Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the 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” in this announcement). Accordingly, the Rights Issue may or may not proceed.**

**Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

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

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 16 July 2024 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 23 July 2024.

## DEFINITIONS

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

“2017 Rights Issue”	the rights issue of the Company on the basis of three rights shares for every two shares held on record date, details of which were set out in the prospectus of the Company dated 27 October 2017
“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Aperto Investments” or “Underwriter”	Aperto Investments Limited, a company incorporated in British Virgin Islands with limited liability which is wholly-owned by Mr. Luk
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders by the Company, relating to, among other things, the Share Consolidation, the Rights Issue and the Whitewash Waiver
“Company”	Roma (meta) Group Limited, 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 in the GEM Listing Rules

“Consolidated Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company immediately upon the Share Consolidation becoming effective
“controlling shareholder”	has the same meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Share Consolidation, the Rights Issue and the Whitewash Waiver
“Executive”	The Executive Director of the Corporate Finance Division of the SFC or any of delegation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company, prior to the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established for the purpose of giving recommendations to the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver

“Independent Shareholders”	Shareholders other than (i) Aperto Investments, Mr. Luk and parties acting in concert with any of them; (ii) all other Shareholders who are interested in or involved in the Rights Issue, the Placing Agreement, the Underwriting Agreement, the Whitewash Waiver and transactions contemplated thereunder; and (iii) Shareholders who are required by the GEM Listing Rules or the Stock Exchange or the Takeovers Code to abstain from voting at the EGM in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the GEM Listing Rules
“Irrevocable Undertaking”	the irrevocable undertaking by Aperto Investments to the Company as set out in the paragraph headed “Irrevocable Undertaking from Aperto Investments” in this announcement
“Last Trading Day”	15 July 2024, being the last trading day of the Shares
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 25 September 2024 or other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Rights Shares
“Latest Time for Placing Termination”	4:00 p.m. on Monday, 7 October 2024, being the seventh Business Day after the Latest Time for Acceptance, or such other time or date as may be agreed between the Company and the Placing Agent in writing
“Latest Time for Underwriting Termination”	4:00 p.m. on Thursday, 10 October 2024, being the tenth Business Day after the Latest Time for Acceptance, or such other time or date as may be agreed between the Company and the Underwriter in writing
“Mr. Chung”	Mr. Chung Man Lai, an independent non-executive Director of the Company
“Mr. Luk”	Mr. Luk Kee Yan Kelvin
“Mr. Yue”	Mr. Yue Kwai Wa Ken, chairman, chief executive officer and an executive Director of the Company

“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements after deduction of all reasonable expenses incurred by the Company and the Placing Agent
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at 4:00 p.m. on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing” or “Compensatory Arrangements”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be Shareholder(s) and shall be Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent” or “Emperor Securities”	Emperor Securities Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO

“Placing Agreement”	the placing agreement dated 15 July 2024 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Commission”	has the meaning ascribed to it under the section headed “Placing Agreement” in this announcement
“Placing Period”	the period commencing from the second (2nd) Business Day after the Latest Time for Acceptance and ending on 4:00 p.m. on the sixth (6th) Business Day after the Latest Time for Acceptance
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	10 September 2024 or such other date as the Company may determine, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Monday, 9 September 2024 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of the rights issue on the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	the Shares to be allotted and issued pursuant to the Rights Issue of up to 126,372,249 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)

“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.2 each
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.2 per Rights Share
“substantial Shareholder”	has the meaning ascribed to it under the GEM Listing Rule
“Undertaken Shares”	34,554,000 Rights Shares, being the aggregate number of Rights Shares for which Aperto Investments has undertaken to subscribe pursuant to the Irrevocable Undertaking
“Underwriting Agreement”	the underwriting agreement dated 15 July 2024 entered into between the Company and the Underwriter in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“Untaken Rights Shares”	those Rights Shares that are not taken up under the Placing
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Underwriter to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by Aperto Investments, Mr. Luk and any parties acting in concert with any of them as a result of taking up of the Rights Shares by Aperto Investments pursuant to the Irrevocable Undertaking and the Underwriting Agreement
“%”	per cent.

By order of the Board  
**Roma (meta) Group Limited**  
**Yue Kwai Wa Ken**  
*Executive Director, Chief Executive Officer,  
Chairman and Company Secretary*

Hong Kong, 22 July 2024

*As at the date of this announcement, the executive Directors are Mr. Yue Kwai Wa Ken (Chairman and Chief Executive Officer) and Mr. Li Sheung Him Michael; and the independent non-executive Directors are Mr. Chung Man Lai, Ms. Li Tak Yin and Ms. Suen Tin Yan.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to their best knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*