
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Beaver Group (Holding) Company Limited**, you should at once hand this Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

BEAVER GROUP (HOLDING) COMPANY LIMITED

永勤集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8275)

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

Underwriter to the Rights Issue



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

Dealings in the Rights Shares in the nil-paid form will take place from Monday, 5 October 2020 to Monday, 12 October 2020 (both days inclusive). If the condition of the Rights Issue is not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Monday, 5 October 2020 to Monday, 12 October 2020 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These certain events are set out in the section headed "Termination of the Underwriting Agreement" on pages 3 to 4 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

The latest time for acceptance of and payment for the Rights Shares and for application is 4:00 p.m. on Thursday, 15 October 2020. The procedure for acceptance and payment or transfer is set out on pages 14 to 15 of this Prospectus.

29 September 2020

CHARACTERISTICS OF GEM

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

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

CONTENTS

	<i>Page</i>
CHARACTERISTICS OF GEM	i
EXPECTED TIMETABLE	1
TERMINATION OF THE UNDERWRITING AGREEMENT	3
DEFINITIONS	5
LETTER FROM THE BOARD	10
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III — GENERAL INFORMATION	III-1

EXPECTED TIMETABLE

Set out below is the expected timetable for the proposed Rights Issue which is indicative only and has been prepared on the assumption that the condition of the Rights Issue will be fulfilled. The expected timetable is subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

Expected Timetable

2020

First day of dealing in nil-paid Rights Shares Monday, 5 October

Latest time for splitting of the PAL 4:30 p.m. on
Wednesday, 7 October

Last day of dealing in nil-paid Rights Shares Monday, 12 October

Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares

**4:00 p.m. on
Thursday, 15 October**

Latest Time for Termination of the Underwriting Agreement and
for the Rights Issue to become unconditional (if applicable) 4:00 p.m. on
Friday, 16 October

Announcement of allotment results Thursday, 22 October

Despatch of certificates for fully-paid Rights Shares and refund
cheques, if any, in respect of wholly or partially unsuccessful
application for excess Rights Shares Friday, 23 October

Expected first day of dealings in fully-paid Rights Shares 9:00 a.m. on
Tuesday, 27 October

All time and dates in this Prospectus are references to Hong Kong local time and dates. Dates or deadlines stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any further changes to the expected timetable for the Rights Issue will be announced by the Company as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS 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 a “black” rainstorm warning or “extreme conditions” caused by super typhoons:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 15 October 2020. 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 Thursday, 15 October 2020. 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 or before 4:00 p.m. on Thursday, 15 October 2020, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If at any time on or before the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter shall affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (iv) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of this Prospectus and not having been disclosed in this Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive Business Days, excluding any halt or suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise,

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

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

As at the Latest Practicable Date, (i) C3J Development (the controlling Shareholder of the Company and being a company which is beneficially and wholly-owned by Mr. Tang) is beneficially interested in an aggregate of 187,000,000 Shares, representing approximately 31.17% of the issued share capital of the Company; and (ii) Hunter Corporate (the controlling Shareholder of the Company and being a company which is beneficially and wholly-owned by Mr. Chui) is beneficially interested in an aggregate of 183,000,000 Shares, representing 30.50% of the issued share capital of the Company.

As at the Latest Practicable Date, the Board has not received any information from any Shareholders (including C3J Development and Hunter Corporate) of their intention to take up the Rights Shares to be provisionally allotted to them. In the event that C3J Development and Hunter Corporate decide not to take up their entitlements under the Rights Issue, the shareholding interests of C3J Development and Hunter Corporate in the Company will be diluted to approximately 20.78% and approximately 20.33% of the entire issued share capital of the Company, respectively immediately upon completion of the Rights Issue.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 10 August 2020 in relation to the Rights Issue
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at nor before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“C3J Development”	C3J Development Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Tang and is the legal and beneficial owner of 187,000,000 existing Shares as at the Latest Practicable Date
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Beaver Group (Holding) Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
“Extension Letters”	the extension letters dated 18 August 2020 and 16 September 2020 entered into by the Company and the Underwriter to extend the relevant dates under the Underwriting Agreement
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hunter Corporate”	Hunter Corporate Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Chui and is the legal and beneficial owner of 183,000,000 existing Shares as at the Latest Practicable Date
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates
“Last Trading Day”	10 August 2020, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement

DEFINITIONS

“Latest Practicable Date”	24 September 2020, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information referred to in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 15 October 2020 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on the first Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Mr. Chui”	Mr. Chui Koon Yau, an executive Director
“Mr. Tang”	Mr. Tang Kwai Leung Stanley, the chairman of the Board and an executive Director
“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
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
“Prospectus”	this prospectus dated 29 September 2020 and issued by the Company in relation to the Rights Issue
“Prospectus Documents”	this Prospectus, the PAL and the EAF

DEFINITIONS

“Prospectus Posting Date”	Tuesday, 29 September 2020, or such other day as may be agreed between the Company and the Underwriter for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Monday, 21 September 2020, or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Rights Issue
“Registrar”	the share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date, being 300,000,000 Shares
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.027 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)

DEFINITIONS

“Underwriter”	Gransing Securities Co., Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO whose ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 10 August 2020 (as amended and supplemented by the Extension Letters) entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Share(s)”	all the Rights Shares which are fully underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement, being 300,000,000 Rights Shares
“Untaken Shares”	all those Underwritten Shares not taken up by the Qualifying Shareholders on or before the Latest Time for Acceptance
“%”	per cent.

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

LETTER FROM THE BOARD

BEAVER GROUP (HOLDING) COMPANY LIMITED

永勤集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8275)

Executive Directors:

Mr. Tang Kwai Leung Stanley (*Chairman*)

Mr. Chui Koon Yau

Independent non-executive Directors:

Mr. Cheung Chung Chuen George

Mr. Law Ching Ning Paschal

Mr. Leung Wai Hung

Registered Office:

PO Box 1350

Clifton House

75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

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

Room 1204, 12/F

Block 2, Golden Industrial Building

16–26 Kwai Tak Street

Kwai Chung, New Territories

Hong Kong

29 September 2020

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcements of the Company dated 10 August 2020, 18 August 2020 and 16 September 2020, respectively, in relation to, among other things, the Rights Issue. On 10 August 2020 (after trading hours), the Underwriter and the Company entered into the Underwriting Agreement, pursuant to which, the Underwriter has conditionally agreed to underwrite all the Underwritten Shares subject to the terms and conditions set out in the Underwriting Agreement. On the same day, the Board proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.027 per Rights Share to raise HK\$8.1 million by issuing 300,000,000 Rights Shares to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders.

LETTER FROM THE BOARD

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

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.027 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	600,000,000 Shares
Number of Rights Shares	:	300,000,000 Rights Shares
Aggregate nominal value of the Rights Share	:	HK\$3,000,000
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	900,000,000 Shares
Number of Rights Shares underwritten by the Underwriter	:	all the Rights Shares which are fully underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement, being 300,000,000 Rights Shares

As at the Latest Practicable Date, the Group had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming no Shares are issued or repurchased on or before the Record Date, 300,000,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represent (i) 50% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Qualifying Shareholders

The Company has sent the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date. In order to be registered as members of the Company on the Record Date, a Shareholder must lodge the

LETTER FROM THE BOARD

relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar by 4:30 p.m. on Monday, 14 September 2020. The last day of dealing in the Shares on cum-rights basis was Thursday, 10 September 2020. The Shares have been dealt with on an ex-rights basis from Friday, 11 September 2020.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Rights of Overseas Shareholders

Overseas Shareholders may not be eligible to take part in the Rights Issue. The Prospectus Documents have not been and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company as at the Record Date, there was no Overseas Shareholder. Accordingly, there was no Non-Qualifying Shareholder for the purpose of the Rights Issue.

Subscription Price

The Subscription Price is HK\$0.027 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 27.03% to the closing price of HK\$0.037 per Share as quoted on the Stock Exchange on the Latest Practicable Day;
- (b) a discount of approximately 28.95% to the closing price of HK\$0.038 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 28.95% to the average of the closing prices of HK\$0.038 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 20.59% to the theoretical ex-rights price of HK\$0.034 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.038 per Share as quoted on the Stock Exchange on the Last Trading Day; and

LETTER FROM THE BOARD

- (e) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 10.53%, represented by the theoretical diluted price of approximately HK\$0.034 per Share to the benchmarked price of approximately HK\$0.038 per 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\$0.038 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the Last Trading Day of approximately HK\$0.038 per Share).

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter 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 Prospectus.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the proposed Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market; (ii) the proposed Rights issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Basis of provisional allotment

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

No fractional entitlements to the Rights Shares shall be issued to the Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights

LETTER FROM THE BOARD

Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company. Any unsold entitlements shall be made available for excess application by the Qualifying Shareholders.

Application for the Rights Shares

The PALs and the EAFs relating to the Rights Shares will be enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Thursday, 15 October 2020. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**TRICOR TRUST (HONG KONG) LIMITED – A/C NO. 19**" and crossed "**ACCOUNT PAYEE ONLY**". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 15 October 2020, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Wednesday, 7 October 2020 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the

LETTER FROM THE BOARD

Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if the condition of the Rights Issue as set out in the section headed "Condition of the Rights Issue" below is not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Friday, 23 October 2020.

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

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Non-Qualifying Shareholder (if any); and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on Thursday, 15 October 2020.

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

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

LETTER FROM THE BOARD

- (iv) pursuant to Rule 10.31(3)(b) of the GEM Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling Shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker’s cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong by not later than 4:00 p.m. on Thursday, 15 October 2020 (Hong Kong time). All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**TRICOR TRUST (HONG KONG) LIMITED – A/C NO. 20**” and crossed “**ACCOUNT PAYEE ONLY**”. The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Thursday, 22 October 2020.

Where the number of excess Rights Shares applied for under one EAF is larger than the total number of Rights Shares being offered under the Rights Issue, being 300,000,000 Rights Shares, such application (other than from a nominee company) would be treated as invalid and be rejected. If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full by ordinary post by the Registrar at his/her/its own risk on or before Friday, 23 October 2020. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Friday, 23 October 2020.

LETTER FROM THE BOARD

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, any EAF in respect of which a cheque or a cashier's order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if the condition of the Rights Issue as set out in the section headed "Condition of the Rights Issue" below is not fulfilled, the monies received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Friday, 23 October 2020.

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.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the condition 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 Friday, 23 October 2020.

If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be despatched on or before Friday, 23 October 2020 by ordinary post at the respective Shareholders' own risk. Refund cheques in respect of wholly or partially

LETTER FROM THE BOARD

unsuccessful applications for excess Rights Shares (if any) are also expected to be posted on or before Friday, 23 October 2020 by ordinary post to the applicants at their own risk, to their registered addresses.

Application for listing of the Rights Shares

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

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted into CCASS.

Qualifying Shareholders who do not fully take up the Rights Shares to which they are provisionally allotted should note that their shareholdings in the Company will be diluted.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which will be in the board lots of 10,000 Rights Shares. Dealings in the Rights Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or

LETTER FROM THE BOARD

liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares in both their nil-paid and fully-paid forms.

Condition of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to fully underwrite all Underwritten Shares, subject to the terms and conditions of the Underwriting Agreement. The principal terms of the Underwriting Agreement are as follows:

Date	:	10 August 2020 (after trading hours) and amended and supplemented by the Extension Letters
Underwriter	:	Gransing Securities Co., Limited
Number of Rights Shares	:	300,000,000 Rights Shares
Underwriting commitment of the Underwriter	:	All the Rights Shares which are fully underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement, being 300,000,000 Rights Shares
Underwriting Commission	:	5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares

The Underwriter is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO whose ordinary course of business includes underwriting of securities and complies with the requirement under Rule 10.24A(1) of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

LETTER FROM THE BOARD

The terms of the Underwriting Agreement, including the underwriting commission rate, were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions of the Underwriting Agreement

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

- (a) the delivery to the Stock Exchange for authorization and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of this Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purposes only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (c) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Business Day prior to the first day of their dealings;
- (d) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (e) the compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (f) there being no event which would have rendered any of the warranties given by the Company under the Underwriting Agreement untrue or incorrect in any material respect occurring prior to the Latest Time for Termination;

LETTER FROM THE BOARD

- (g) the Shares remaining listed on GEM at all times prior to the settlement date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days at any time prior to the Latest Time for Acceptance; and
- (h) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

Save for the condition (e) which can be waived by the Underwriter, none of the above conditions can be waived. If any of the conditions referred to above is not fulfilled, or waived (where applicable) by the Latest Time for Termination, the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the conditions set out above has been satisfied or waived.

Termination of the Underwriting Agreement

If at any time on or before the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

LETTER FROM THE BOARD

- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter shall affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter occurs which, had it arisen or been discovered immediately before the date of this Prospectus and not having been disclosed in this Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive Business Days, excluding any halt or suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise,

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

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the proposed Rights Issue will not proceed.

LETTER FROM THE BOARD

As at the Latest Practicable Date, (i) C3J Development (the controlling Shareholder of the Company and being a company which is beneficially wholly owned by Mr. Tang) is beneficially interested in an aggregate of 187,000,000 Shares, representing approximately 31.17% of the issued share capital of the Company; and (ii) Hunter Corporate (the controlling Shareholder of the Company and being a company which is beneficially wholly owned by Mr. Chui) is beneficially interested in an aggregate of 183,000,000 Shares, representing 30.50% of the issued share capital of the Company.

As at the Latest Practicable Date, the Board has not received any information from any Shareholders (including C3J Development and Hunter Corporate) of their intention to take up the Rights Shares to be provisionally allotted to them.

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

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and the effect on the shareholding structure of the Company upon completion of the Rights Issue in the manner contemplated under the Underwriting Agreement (assuming there is no change in number of issued Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue):

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(iii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders (other than C3J Development and Hunter Corporate) under the Rights Issue		(iv) Immediately upon completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders under the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
C3J Development ^(Note 1)	187,000,000	31.17	280,500,000	31.17	187,000,000	20.78	187,000,000	20.78
Hunter Corporate ^(Note 2)	183,000,000	30.50	274,500,000	30.50	183,000,000	20.33	183,000,000	20.33
Underwriter ^(Note 3)	-	-	-	-	185,000,000	20.56	300,000,000	33.33
Other public Shareholders	230,000,000	38.33	345,000,000	38.33	345,000,000	38.33	230,000,000	25.56
Total	600,000,000	100.00	900,000,000	100.00	900,000,000	100.00	900,000,000	100.00

Notes:

1. C3J Development is beneficially owned as to 100% by Mr. Tang who is deemed to be interested in 187,000,000 Shares pursuant to the Part XV of the SFO.
2. Hunter Corporate is beneficially owned as to 100% by Mr. Chui who is deemed to be interested in 183,000,000 Shares pursuant to the Part XV of the SFO.

LETTER FROM THE BOARD

3. These scenarios are for illustrative purposes only. Under the Underwriting Agreement, the Underwriter has undertaken that it shall use its reasonable endeavours to ensure that (i) each of the subscribers or purchasers of the Untaken Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any Directors, chief executive or substantial Shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules); (ii) the public float requirements under the GEM Listing Rules shall continue to be fulfilled by the Company upon completion of the Rights Issue; and (iii) any subscription or purchase of the Untaken Shares by the Underwriter and each of the subscribers or purchasers procured by the Underwriter shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter and the subscribers or purchasers procured by the Underwriter upon completion of the Rights Issue.

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

The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. The Group is also engaged in leasing of machinery.

As disclosed in the annual report of the Company for the year ended 31 March 2020, for the year ended 31 March 2020, the Group recorded a net loss of approximately HK\$12.6 million as compared to a net loss of approximately HK\$2.4 million for the same period in 2019. The Directors are of the view that the net loss was primarily due to (i) delay in progress of certain projects as a result of the outbreak of the novel coronavirus (COVID-19) epidemic and lower value of contracts awarded to the Group; (ii) loss arising from change in fair value of the financial assets at fair value through profit or loss; and (iii) an increase in finance costs due to increase in borrowings and lease liabilities during the year ended 31 March 2020. The Directors are of the view that the general outlook of the industry and the business environment in which the Group operates will remain challenging.

As further disclosed in the annual report of the Company for the year ended 31 March 2020, the Group recorded a net cash outflow from operating activities of approximately HK\$3,940,000 and a net decrease in cash and cash equivalents in the amount of approximately HK\$9,793,000 for the year ended 31 March 2020. In light of the cash position and loss-making performance of the Group, the Company intends to raise funds through the Rights Issue to improve the financial condition of the Group by lower the gearing and interest burden of the Group.

Among the current liabilities of the Group, the Company was indebted to a lender, which is a restricted license bank and an Independent Third Party, loans with aggregate outstanding principal and interest amount of approximately HK\$4.1 million as at 31 July 2020 with interest rates of 3.2% per annum and 2.8% over 3 months HIBOR per annum. As at the Latest Practicable Date, the Group was also indebted to its suppliers, which are Independent Third Parties, in the total amount of approximately HK\$6,750,000.

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$6.9 million. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.023. The Company will apply the net proceeds from the Rights Issue (i) as to HK\$4.2

LETTER FROM THE BOARD

million for repayment of outstanding principal, interest amount and relevant administrative expenses of loans; and (ii) the remaining balance of HK\$2.7 million for repayment of debts owing by the Group to its suppliers.

The Company had considered other fund-raising alternatives available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares.

The Company is of the view that debt financing will result in additional interest burden and will further increase the gearing ratio of the Group which is not beneficial to the Group given that the Group had incurred a net loss for the year ended 31 March 2020. The Board considers that financing the funding needs of the Group in the form of equity is a better alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate.

In the contrary, the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs. Since the Rights Issue will allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company, the Board considers that raising capital through the Rights Issue is in the best interest 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 (if any) should note that their shareholdings in the Company will be diluted.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities within the 12 month period prior to the Latest Practicable Date.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. The Directors believe the significant risks relating to the business are as follows:

- (i) the Group determines project price based on the estimated time and costs involved in a project, which may deviate from actual time and costs incurred. Inaccurate estimation may adversely affect its financial results;
- (ii) the Group's foundation works are exposed to the risk of unexpected geological or sub-soil conditions;
- (iii) non-performance, delayed performance, sub-standard performance, non-compliance or unavailability of the Group's subcontractors may adversely affect its operation and profitability; and

LETTER FROM THE BOARD

- (iv) the Group's customers pay us by way of progress payment and require retention money, and there is no guarantee that progress payment will be paid to us on time and in full, or that retention money is fully released to us upon completion of a project.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, 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 paragraph headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement" above). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt with on an ex-rights basis from Friday, 11 September 2020. Deals in the Rights Shares in nil-paid form are expected to take place from Monday, 5 October 2020 to Monday, 12 October 2020 (both days inclusive). Any Shareholder or other person dealing in Shares or in the nil-paid Rights Shares up to the date on which the condition of the Rights Issue is fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, which is expected to be on Friday, 16 October 2020), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is 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).

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

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus. In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

Yours faithfully,
By order of the Board
Beaver Group (Holding) Company Limited
Tang Kwai Leung Stanley
Chairman and executive Director

1. FINANCIAL SUMMARY OF THE GROUP

Details of the audited consolidated financial statements of the Group for the three years ended 31 March 2018, 2019 and 2020, including the notes thereto, are disclosed in the annual reports of the Company for the three years ended 31 March 2018, 2019 and 2020, which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.beavergroup.com.hk>). Set out below are links to the relevant annual reports of the Company:

- (i) The annual report of the Company for the year ended 31 March 2020 published on 30 June 2020 (pages 70 to 129):

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0630/2020063000681.pdf>

- (ii) The annual report of the Company for the year ended 31 March 2019 published on 28 June 2019 (pages 72 to 139):

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0628/gln20190628255.pdf>

- (iii) The annual report of the Company for the year ended 31 March 2018 published on 29 June 2018 (pages 58 to 113):

<https://www1.hkexnews.hk/listedco/listconews/gem/2018/0629/gln20180629277.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

(a) Borrowings

The Group had secured bank borrowings, unsecured bank borrowings and secured other borrowings of approximately HK\$5,471,000, HK\$19,959,000, and HK\$10,914,000, respectively. The secured bank borrowings are secured by a charge over the insurance policies with a fair value of approximately HK\$8,427,000 and the other borrowings are secured by a charge over the property, plant and equipment with carrying amount of approximately HK\$20,628,000. Except for an unsecured bank borrowing of approximately HK\$3,101,000 which is guaranteed by the Government of the Hong Kong Special Administrative Region (the “HKSAR”) and personal guaranteed by Mr. Tang Kwai Leung, Stanley and Mr. Chui Koon Yau, being the directors of Triangular Force Construction Engineering Limited, an indirect wholly-owned subsidiary of the Company, all the bank and other borrowings are guaranteed by the Company. Bank and other borrowings that due for repayment after one year contain repayment on demand clause were classified as current liabilities.

(b) Lease liabilities

The Group had lease liabilities of approximately HK\$1,533,000 in respect of finance leases for certain property, plant and equipment and approximately HK\$6,929,000 in respect of an operating lease under HKFRS 16 Lease. Lease liabilities of approximately HK\$739,000 in respect of finance leases are guaranteed by the Company.

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

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 July 2020 up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful enquiry and taking into account the present internal financial resources available to the Group, the estimated net proceeds from the Rights Issue and the Group's internally generated funds, are of the opinion that the Group has sufficient working capital to satisfy its present requirements, that is for at least the next twelve months from the date of this Prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors confirmed that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT

The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. The Group is capable of installing bored piles with diameters ranging from 1.5 metres to 3 metres of various pile lengths. The Group has invested considerably in reinforcing its machinery and the Group possesses all necessary standard plant and machinery and equipment for its construction of bored piles. The Group is also engaged in leasing of machinery.

For the year ended 31 March 2020, the Group recorded a net loss of approximately HK\$12.6 million as compared to a net loss of approximately HK\$2.4 million for the same period in 2019. The Directors are of the view that the net loss were primarily due to (i) delay in progress of certain projects as a result of the outbreak of the novel coronavirus (COVID-19) epidemic and lower value of contracts awarded to the Group; (ii) loss arising from change in fair value of the financial assets at fair value through profit or loss; and (iii) an increase in finance costs due to increase in borrowings and lease liabilities during the year ended 31 March 2020.

The Group's revenue for the year ended 31 March 2020 was approximately HK\$87.0 million, representing a decrease by approximately 42.9% from approximately HK\$152.5 million for the year ended 31 March 2019, which was primarily attributable to delay in progress of certain projects and lower value of contracts awarded to the Group.

Due to the decrease in the Group's revenue, the Group's gross profit for the year ended 31 March 2020 were approximately HK\$10.4 million, representing a decrease of approximately 24.6% from approximately HK\$13.8 million for the year ended 31 March 2019.

The Group's gross profit margin increased from approximately 9.0% to 11.9% for the year ended 31 March 2020 as compared with the year ended 31 March 2019. Such increase was primarily contributed by increase in gross profit margin of certain projects undertaken during the year ended 31 March 2020.

The Directors are of the view that the general outlook of the industry and the business environment in which the Group operates will remain challenging. The outbreak of the COVID-19 in early 2020 has created economic uncertainty to Hong Kong and imposed negative impacts on the foundation industry, including supply chain disruptions, workforce shortages due to illness and preventative quarantines, and work stoppages due to measures imposed by the government. Looking ahead, the Group will adhere to prudent financial management in project selection and cost control. The Group will continue to obtain additional qualifications and strengthen its financial resources to position itself to tender for suitable projects as a foundation contractor, and invest in the manpower and information system to enhance its operational capacity and efficiency in foundation and site formation works and bored piling works.

The Group's business in the provision of construction services in the construction industry has been confronting challenges under slower growth of the construction industry and intensified market competition. Revenue generated for the construction contract has decreased over the previous year caused by a decrease in awards of contracts during the current year.

Despite the underperformed result and stringent market environment of the construction industry, the Group will continue to deploy efforts in tendering for contracts, particularly contracts which yield higher margins in price and make concerted efforts in controlling and managing the contract and operating costs, in order to foster improvement in results of this business.

Looking forward to 2020, the Company still faces impacts arising from the outbreak of the COVID-19, unstable political and economic policies, fierce competition in Hong Kong's construction industry and other adverse factors. However, the Board believes there will be opportunities in the challenges. The Group will give sustained impetus to the growth of the group from two aspects.

Firstly, the Group strives to improve its operational efficiency and better the profitability of its business by implementing tightened cost control. The Group is also actively seeking potential business opportunities that can widen the income streams and increase the return of Shareholders.

Secondly, the Group continues to put great efforts on talent cultivation. The specialty and quality of employees will have an important impact on the development of the Group.

The following is the text of a report from the Reporting Accountant of the Company, RSM Hong Kong, in respect of the unaudited pro forma financial information of the Group for the purpose of inclusion in this Prospectus.

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

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “Unaudited Pro Forma Financial Information”) which has been prepared in accordance with Paragraph 13 of Appendix 1B and Rule 7.31 of the GEM Listing Rules to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 March 2020.

The Unaudited Pro Forma Financial Information has been prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2020, as extracted from the published annual report of the Group for the year ended 31 March 2020, and is adjusted to reflect the effect of the Rights Issue.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group as at 31 March 2020 or to any future dates following the Rights Issue.

	Audited consolidated net tangible asset of the Group attributable to owners of the Company as at 31 March 2020 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2020 <i>HK\$'000</i>
Based on Rights Issue of 300,000,000 Shares at subscription price of HK\$0.027 per Rights Share	<u>62,616</u>	<u>6,917</u>	<u>69,533</u>
Consolidated net tangible assets of the Group per Share attributable to owners of the Company as at 31 March 2020 <i>(Note 3)</i>			<u>HK\$0.10</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributed to owners of the Company after the completion of the Rights Issue <i>(Note 4)</i>			<u>HK\$0.08</u>

Notes:

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2020 were extracted from the audited consolidated statement of financial position of the Group as at 31 March 2020 included in the Group's published annual report for the year ended 31 March 2020.
2. The estimated net proceeds from the Rights Issue of approximately HK\$6,917,000 are calculated based on gross proceeds of HK\$8,100,000 from the issue of 300,000,000 Rights Shares at the Subscription Price of HK\$0.027 per Rights Share and after deducting estimated expenses of approximately HK\$1,183,000 attributable to the Right Issue.
3. The number of Shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company prior to the Completion of the Rights Issue is based on 600,000,000 Shares in issue as at 31 March 2020.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 March 2020 immediately after the completion of the Rights Issue as if the Rights Issue of 300,000,000 had been completed on 31 March 2020, but does not take into account any Shares which have been or may be issued upon the exercise of options granted under the Share Option Scheme subsequent to 31 March 2020.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2020.

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

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong.

**RSM Hong Kong**

29th Floor, Lee Garden Two, 28 Yun Ping Road
Causeway Bay, Hong Kong

T +852 2598 5123
F +852 2598 7230

www.rsmhk.com

羅申美會計師事務所

香港銅鑼灣恩平道二十八號
利園二期二十九字樓

電話 +852 2598 5123
傳真 +852 2598 7230

www.rsmhk.com

The Board of directors
Beaver Group (Holding) Company Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Beaver Group (Holding) Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the pro forma net tangible assets as at 31 March 2020 as set out on pages II-1 to II-3 of the Prospectus issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Statement are described in Section A of Appendix II to this Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group’s net tangible assets as at 31 March 2020 as if the transaction had been taken place at 31 March 2020. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s audited consolidated financial statements as included in the annual report for the year ended 31 March 2020, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix IB and paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Statement in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2020 would have been as presented.

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

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

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

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

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

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as describe under "Reasons for the Rights Issue and use of proceeds" set out on page 24 of the Prospectus.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

RSM Hong Kong

Certified Public Accountants

Hong Kong

29 September 2020

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital in the Company as at the Latest Practicable Date and immediately following completion of the Rights Shares (assuming the Rights Issue becoming unconditional) was and will be as follows:

(i) As at the Latest Practicable Date:

Authorised:		<i>HK\$</i>
<u>1,000,000,000</u> Shares		<u>10,000,000</u>
<i>Issued and fully paid or credited as fully paid:</i>		
<u>600,000,000</u> Shares		<u>6,000,000</u>

(ii) Immediately following completion of the Rights Issue:

Authorised:		<i>HK\$</i>
<u>1,000,000,000</u> Shares		<u>10,000,000</u>
<i>Issued and fully paid or credited as fully paid:</i>		
600,000,000 Shares		6,000,000
<u>300,000,000</u> Rights Shares to be issued		<u>3,000,000</u>
<u>900,000,000</u> Shares in total upon completion of the Rights Issue		<u>9,000,000</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with each other and the Shares then in issue as at the date of allotment and issue of the Rights Shares, including, in particular, as to dividends, voting rights and return of capital. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

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

As at the Latest Practicable Date, the Company has no outstanding warrants, options or securities convertible into Shares, and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

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

3. DISCLOSURE OF INTERESTS

(a) Interest of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests or short positions of Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have taken under such provisions of the SFO) or (ii) which were recorded in the register required to be kept under Section 352 of the SFO, or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

Long position in the Shares and underlying Shares

Name of Director	Nature of Interest	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Mr. Tang	Interest of controlled corporation ^(Note 1)	187,000,000	31.17%
Mr. Chui	Interest of controlled corporation ^(Note 2)	183,000,000	30.50%

Notes:

1. Mr. Tang legally and beneficially owns the entire issued share capital of C3J Development. Therefore, Mr. Tang is deemed, or taken to be, interested in all the shares of the Company held by C3J Development for the purpose of the SFO.
2. Mr. Chui legally and beneficially owns the entire issued share capital of Hunter Corporate. Therefore, Mr. Chui is deemed, or taken to be, interested in all the shares of the Company held by Hunter Corporate for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) which were required, pursuant to Section 352 of the SFO, to be entered

in the register referred to therein, or (iii) which were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following parties (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares or debentures of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Long position in the Shares and underlying Shares

Name	Nature of Interest	Number of Shares held	Approximate percentage of interest
C3J Development	Beneficial owner	187,000,000	31.17%
Ms. Lam Ka Yi ^(Note 1)	Interest of spouse	187,000,000	31.17%
Hunter Corporate	Beneficial owner	183,000,000	30.50%
Ms. Wong Kit Chun ^(Note 2)	Interest of spouse	183,000,000	30.50%
Gransing Securities Co., Limited ^(Note 3)	Underwriter	300,000,000	33.33%
Gransing Financial Group Limited ^(Note 4)	Interest of controlled corporation	300,000,000	33.33%
Kwok Shun Tim ^(Note 4)	Interest of controlled corporation	300,000,000	33.33%

Notes:

- Ms. Lam Ka Yi is the spouse of Mr. Tang. Mr. Tang legally and beneficially owns the entire issued share capital of C3J Development. Therefore, Ms. Lam Ka Yi is deemed, or taken to be, interested in all the shares of the Company held by C3J Development for the purpose of the SFO.

2. Ms. Wong Kit Chun is the spouse of Mr. Chui. Mr. Chui legally and beneficially owns the entire issued share capital of Hunter Corporate. Therefore, Ms. Wong Kit Chun is deemed, or taken to be, interested in all the shares of the Company held by Hunter Corporate for the purpose of the SFO.
3. Pursuant to the Underwriting Agreement entered into between the Company and Gransing Securities Co., Limited (as the underwriter) in relation to the Rights Issue, 300,000,000 untaken Rights Shares shall be underwritten by Gransing Securities Co., Limited and therefore Gransing Securities Co., Limited is interested in 300,000,000 Shares.
4. Gransing Securities Co., Limited is wholly owned by Gransing Financial Group Limited, which is in turn owned as to 64.80% by Mr. Kwok Shun Tim. Each of Gransing Financial Group Limited and Mr. Kwok Shun Tim is deemed to be interested in 300,000,000 Shares held by Gransing Securities Co., Limited for the purpose of the SFO.

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying Shares or debentures of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under Section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

5. EXPERT AND CONSENT

The following sets out the qualifications of the expert who has been named in this Prospectus or has given opinions, letters or advices included in this Prospectus:

Name	Qualifications
RSM Hong Kong	Certified Public Accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or its name in the form and context in which it appears.

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

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which have been since 31 March 2020 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by, or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

6. LITIGATION

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

7. MATERIAL CONTRACTS

Save for the Underwriting Agreement, no material contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding and including the Latest Practicable Date.

8. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling Shareholders or their respective close associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, or have or may have any other conflicts of interest with the Group.

9. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 March 2020 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1.2 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office	PO Box 1350 Clifton House 75 Fort Street Grand Cayman, KY1-1108 Cayman Islands
Head office and principal place of business in Hong Kong	Room 1204, 12/F Block 2, Golden Industrial Building 16–26 Kwai Tak Street Kwai Chung, New Territories Hong Kong
Company secretary	Ms. Yim Sau Ping
Compliance officer	Mr. Tang Kwai Leung Stanley
Authorised representatives	Mr. Tang Kwai Leung Stanley Ms. Yim Sau Ping
Principal share registrar and transfer office in the Cayman Islands	Ocorian Trust (Cayman) Limited PO Box 1350 Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Tricor Investor Services Limited Level 54 Hopewell Centre 183 Queen's Road East Hong Kong
Principal banks	Nanyang Commercial Bank, Limited The Hongkong and Shanghai Banking Corporation Limited DBS Bank (Hong Kong) Limited
Auditors	RSM Hong Kong 29th Floor, Lee Garden Two 28 Yun Ping Road Causeway Bay, Hong Kong <i>Certified Public Accountants</i>

Reporting accountants	RSM Hong Kong 29th Floor, Lee Garden Two 28 Yun Ping Road Causeway Bay, Hong Kong <i>Certified Public Accountants</i>
Legal advisers to the Company in relation to the Rights Issue	Michael Li & Co. 19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong
Underwriter	Gransing Securities Co., Limited Unit 2508, 25/F., Cosco Tower 183 Queen's Road Central, Hong Kong

12. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Tang Kwai Leung, Stanley (湯桂良) (“Mr. Tang”), aged 52, is the executive Director and chairman of the Board responsible for overseeing the corporate strategy, and operational management of the Group, the compliance officer of the Company and a co-founder of the Group. Mr. Tang attended secondary school education in Hong Kong. Mr. Tang completed a construction safety supervisor course organised by the Construction Industry Training Authority in 1999. He also obtained a trade test certification card for piling operative (bored pile) issued by the Construction Industry Training Authority in 2002, a certificate of rigger & signaller safety training issued by the Hong Kong Safety Training Association in November 2008 and a certificate for operation of crawler-mounted mobile crane in May 2014.

Mr. Tang has approximately 22 years of experience in construction and foundation work industry. Before establishing Triangular Force Construction Engineering Limited in 2008, he accumulated approximately 10 years of experience working for China Overseas (Hong Kong) Limited as a foreman for intermittent periods from October 1994 to December 2007, his last position as a general foreman. He also worked for Hsin Chong (Foundations) Limited as a site foreman from August 2000 to May 2001.

Mr. Chui Koon Yau (徐官有) (“Mr. Chui”), aged 53, is the executive Director, responsible for overseeing the operational management and quality control of projects of the Group, and a co-founder of the Group. Mr. Chui attended secondary school education in Hong Kong. Mr. Chui is a registered construction worker under to the Construction Workers Registration Ordinance (Chapter 583 of the Laws of Hong Kong). He obtained a trade test certification card for plant and equipment operator (bored pile) issued by the Construction Industry Training Authority in 2003 and a certificate for operation of

crawler-mounted mobile crane in May 2014. Mr. Chui has also obtained several certificates on construction safety including the certificate of rigger & signaller safety training issued by the Hong Kong Safety Training Association in December 2008.

Mr. Chui has approximately 28 years of experience in construction and foundation work industry. Before establishing Triangular Force in 2008, Mr. Chui worked as a foreman and a crane operator from 1995 to 2000 for various construction or foundation companies. Mr. Chui then worked as a crane operator and a general foreman in Vibro Construction Company Limited from 2000 to 2005, and from 2005 to 2008, respectively.

Independent Non-executive Directors

Mr. Cheung Chung Chuen George (張宗傳) (“Mr. Cheung”), aged 46, was appointed as the independent non-executive Director on 22 September 2017. He is also the chairman of the nomination committee of the Company (the “**Nomination Committee**”) and a member of the audit committee of the Company (the “**Audit Committee**”) and remuneration committee of the Company (the “**Remuneration Committee**”).

In November 1998, Mr. Cheung obtained a degree of bachelor of laws from City University of Hong Kong. He then obtained a postgraduate certificate in laws from the same university in July 1999. He was admitted as a solicitor of the High Court of Hong Kong in September 2001.

Mr. Cheung has approximately 18 years of experience in legal industry specialising in conveyancing. He worked in a number of law firms throughout the years. He worked for Ng & Shum Solicitors & Notaries in association with D&S Law Firm from August 2002 to January 2005, and Iu, Lai & Li Solicitors & Notaries from January 2005 to September 2006 as an assistant solicitor. He worked at Woo, Kwan, Lee & Lo from October 2006 to July 2008 as an assistant solicitor. Later on, he worked for Allen & Overy from July 2008 to April 2011, his last position held was a senior associate. Mr. Cheung then worked for Kao, Lee & Yip from April 2011 to February 2012, his last position held was an assistant solicitor. He subsequently joined T.K. Tsui & Co., Solicitors as assistant solicitor in May 2012, and was admitted as a partner in August 2012, he left the firm in March 2014. He has been a consultant of Cheung & Yeung, Solicitors from April 2014 to June 2017 and he joined Eversheds Legal Services (Hong Kong) Limited in June 2017.

Mr. Cheung was a tutor that provided conveyancing and probate practice for the postgraduate certificate in laws programme for the City University of Hong Kong from September to December 2007.

Mr. Law Ching Ning Paschal (羅政寧) (“Mr. Law”), aged 50, was appointed as the independent non-executive Director on 22 September 2017. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

Mr. Law obtained a degree of bachelor of science (architecture) and a degree of bachelor of architecture from The University of Sydney in June 1992 and in June 1995, respectively. Mr. Law is currently an authorised signatory of Law Chi Yip Construction Company Limited.

Mr. Law has approximately 23 years of experience in the architectural and construction industry. He joined as assistant manager of Law Chi Yip Construction Company Limited in January 1997 and was promoted to project manager in July 2000 and acted as the project-in-charge for abundance projects from 2002 onwards. Mr. Law also served as a director of LCY Design Limited since December 1996.

Mr. Leung Wai Hung (梁偉雄) (“**Mr. Leung**”), aged 52, was appointed as the independent non-executive Director on 22 September 2017. He is also the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

Mr. Leung holds a Bachelor Degree of Business Administration from The Chinese University of Hong Kong. He is a fellow member of The Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Leung has more than 20 years working experience in various listed companies in Hong Kong mainly engaged in property development including Cheung Kong (Holdings) Limited (now known as CK Hutchison Holdings Limited) (stock code: 001). Mr. Leung has extensive experience in real estate investment trust (“**REIT**”). He participated in the IPO setup of the first private sector REIT, Prosperity REIT (stock code: 808) in Hong Kong in 2005 and worked for the manager of Fortune REIT (stock code: 778) as a Finance Director from 2011 to 2012. Fortune REIT was dually listed in both Hong Kong and Singapore. Other than property development, he has also worked as the financial controller of Shougang Concord International Enterprises Company Limited (now known as Shoucheng Holdings Limited) (stock code: 697) (“**SCIECL**”) from 2013 to 2018. SCIECL is a state-owned enterprise and a member of Shougang Group Co., Ltd, one of the top 10 steel producers in the world.

Mr. Leung also has extensive financial knowledge in initial public offering, merger and acquisition as well as fund raising and is familiar with the business environment of both Hong Kong and the Mainland China.

Mr. Leung is currently the financial controller of Crown International Corporation Limited (stock code: 727). He is also an independent non-executive director of Fineland Real Estate Services Group Limited (“**Fineland**”) (stock code: 9978). Fineland is a listed company on GEM of the Stock Exchange since 15 November 2017 and transfer of listing from GEM to the Main Board on 28 May 2020.

Senior management

Mr. Che Ping Hin (謝秉軒) (“**Mr. Che**”), aged 37, joined the Group in March 2018. He is currently appointed as project manager and responsible for the day to day management and safety of the projects of the Company.

Mr. Che obtained a higher diploma in Structural engineering from HKIVE(TY) in September 2003. Mr. Che has approximately 17 years of experience in engineering and construction project management.

Prior to joining the Group, Mr. Che worked as a project manager for various projects under his employments with different companies.

Mr. Che first got into the industry in April 2004 through working for Baily Construction and Engineering Limited as an assistant engineer. He worked there until September 2006, he then worked for Bluet Hydroseeding Limited as a project manager from October 2006 to July 2011. Later on, he worked for Salotto (China) Limited from August 2011 to December 2013. He then worked for Hon Fung Engineering Limited as a project manager from December 2013 to February 2018.

Company secretary

Ms. Yim Sau Ping (嚴秀屏) (“**Ms. Yim**”), aged 37, prior to joining the Group, Ms. Yim worked for Ngai Shun Holdings Limited (stock code: 1246), now known as Boill Healthcare Holdings Limited, a company listed on the Main Board of the Stock Exchange, as a company secretary from October 2014 to May 2015, and as a financial controller from October 2014 to August 2015. She also worked for Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited) (stock code: 8326), a company listed on GEM, as a company secretary from November 2013 to December 2013, and as an accounting manager from April 2012 to December 2013. She has been a director of Blooming (HK) Business Limited, a company primarily engaged in corporate advisory and company secretarial services, since October 2015. Ms. Yim is currently the company secretary of seven companies listed on the Stock Exchange.

Ms. Yim obtained a Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in December 2007. She has been a member and a fellow of the Hong Kong Institute of Certified Public Accountants since January 2010 and October 2017 respectively. She has accumulated more than 12 years of experience in accounting, auditing and financial management in international audit firm, financial institution and listed companies.

Business address of the Directors

The business address of the Directors is the same as the Company's head office and principal place of business in Hong Kong at Room 1204, 12/F, Block 2, Golden Industrial Building, 16–26 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Leung (being the chairman), Mr. Cheung and Mr. Law. The Audit Committee is mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed "5. Expert and Consent" in this Appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the head office and principal place of business in Hong Kong of the Company at Room 1204, 12/F, Block 2, Golden Industrial Building, 16-26 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong during the period of 14 days from the date of this Prospectus:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the three financial years ended 31 March 2018, 2019 and 2020;

- (iii) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (iv) the written consent referred to in the paragraph headed “5. Expert and Consent” in this Appendix;
- (v) the Underwriting Agreement; and
- (vi) the Prospectus Documents.

16. MISCELLANEOUS

This Prospectus and the accompanying PAL and EAF have been prepared in both English and Chinese. In the case of any discrepancies, the English version shall prevail over their respective Chinese version.

As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.