
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

A copy of each of the Prospectus Documents together with the written consent referred to in the section headed “(9) Expert’s Qualification and Consent” in this prospectus, have been registered with 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). 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 as to the contents of any of the Prospectus Documents or any other documents referred to above. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Warning of the Risks of Dealing in the Shares and the nil-paid Rights Shares” in the “Letter from the Board” in this prospectus.

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

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

The securities described herein have not been registered under the US Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Distribution of this prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this prospectus comes should inform themselves of and observe any such restrictions. This prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States or to US persons (as defined in Regulation S under the US Securities Act).



華邦科技控股有限公司
HUABANG TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3638)

RIGHTS ISSUE OF RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES AT HK\$0.18 PER RIGHTS SHARE

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 4 January 2024. The procedures for acceptance, application and transfer of Rights Shares are set out on pages 16 to 17 of this prospectus.

The Shares have been dealt in on an ex-rights basis from Thursday, 23 November 2023. Dealings in the Rights Shares in nil-paid form will take place from Wednesday, 20 December 2023 to Friday, 29 December 2023 (both days inclusive). The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional document, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment or (where applicable) waiver of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on page 25 of this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 9:00 a.m. on Tuesday, 23 January 2024). If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 9:00 a.m. on Tuesday, 23 January 2024, and any dealings in the Rights Shares in the nil-paid forms from Wednesday, 20 December 2023 to Friday, 29 December 2023 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

18 December 2023

NOTICE

The Rights Issue is on a non-underwritten basis. Pursuant to the Company's constitutional document, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment or (where applicable) waiver of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in the "Letter from the Board" on page 25 of this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 9:00 a.m. on Tuesday, 23 January 2024). If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

ANY SHAREHOLDER OR OTHER PERSON CONTEMPLATING TRANSFERRING, SELLING OR PURCHASING SHARES AND/OR RIGHTS SHARES IN THEIR NIL-PAID FORM IS ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND/OR NIL-PAID RIGHTS SHARES. ANY PERSON 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). ANY SHAREHOLDER OR OTHER PERSON DEALING IN THE SHARES OR IN THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS TO WHICH THE RIGHTS ISSUE IS SUBJECT ARE FULFILLED WILL ACCORDINGLY BEAR THE RISK THAT THE RIGHTS ISSUE MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING EXTENDED TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING EXTENDED TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF THE RIGHTS SHARES IN NIL-PAID AND/OR FULLY-PAID FORMS INTO SUCH JURISDICTIONS COULD LAWFULLY BE EXTENDED WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS EXTENDED IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of this prospectus and the Provisional Allotment Letter(s) will be registered or filed under the securities laws of any jurisdiction other than Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this prospectus and the Provisional Allotment Letter(s) will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions outside Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such jurisdictions.

NOTICE

Each person acquiring the Rights Shares in nil-paid and/or fully-paid forms under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the Rights Shares in nil-paid and/or fully-paid forms to confirm, that he or she or it is aware of the restrictions on offers and sales of the Rights Shares in nil-paid and/or fully-paid forms described in this prospectus.

For a description of certain restrictions regarding the taking up of the nil-paid Rights Shares for, and the offering and sale of, the Rights Shares, see the notices below.

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on the present expectations of the management of the Company about future events. The present expectations of the management of the Company reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements.

Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
SUMMARY OF THE RIGHTS ISSUE	7
EXPECTED TIMETABLE	8
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

DEFINITIONS

“Announcement”	the announcement of the Company dated 17 November 2023 in relation to, among other things, the Rights Issue
“Annual Report 2023”	the annual report of the Company for the year ended 31 March 2023
“associate”	has the same meaning ascribed to it under the Listing Rules
“Authority”	any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign, and “Authorities” shall be interpreted and construed accordingly
“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Business Day”	any day on which banks are generally open for business in Hong Kong (excluding Saturday and Sunday)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)

DEFINITIONS

“Company”	Huabang Technology Holdings Limited (Stock Code: 3638), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the section headed “Procedures in respect of the Rights Shares not subscribed and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this prospectus
“Completion Date”	the date on which the Rights Shares (in fully-paid form) having been duly allotted and issued to the Qualifying Shareholders
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Last Trading Day”	Friday, 17 November 2023, being the last full trading day for the Shares before the release of the Announcement
“Latest Acceptance Date”	Thursday, 4 January 2024, being the last day for acceptance and payment of the Rights Shares, or such other date as the Company may determine

DEFINITIONS

“Latest Practicable Date”	Monday, 11 December 2023, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining information contained herein
“Latest time for acceptance”	4:00 p.m. on the Latest Acceptance Date
“Latest Time for Termination”	the latest time to terminate the Placing Agreement
“Law”	any and all national, central, federal, provincial, state, regional, municipal, local, domestic or foreign laws (including, without limitation, any common law or case law), statutes, ordinances, legal codes, regulations or rules (including, without limitation, any and all regulations, rules, orders, judgments, decrees, rulings, opinions, guidelines, measures, notices or circulars (in each case, whether formally published or not and to the extent mandatory or, if not complied with, the basis for legal, administrative, regulatory or judicial consequences) of any Authority)
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	29 February 2024 (or such other date as the Company may determine)
“Main Board”	the Main Board of the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules adopted by the Company
“Mr. Chan”	Mr. Chan Wing Sum, an executive Director
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting (a) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements; and (b) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees)
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid

DEFINITIONS

“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the Provisional Allotment Letters or their renounees, or such persons who hold any Nil Paid Rights at the time such Nil Paid Rights are lapsed
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on the legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) (if any) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“Placing”	the Company’s placing of 105,228,000 Shares at the placing price of HK\$0.25 under general mandate, which was completed on 19 September 2023
“Placing Agent”	Mouette Securities Company Limited, a corporation licensed to carry on Regulated Activities Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the sole and exclusive placing agent of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Placing Agreement
“Placing Agreement”	the placing agreement dated 17 November 2023 entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares as described in the section headed “Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares” in the “Letter from the Board” contained in this prospectus

DEFINITIONS

“Posting Date”	Monday, 18 December 2023, or such other date as the Company may determine in writing for the despatch of the Prospectus Documents
“PRC” or “China”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus” or “this prospectus”	the prospectus issued by the Company dated 18 December 2023 in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and the Provisional Allotment Letter
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue in such form as the Company may approve
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Friday, 1 December 2023, being the date by reference to which entitlements of the Shareholders under the Rights Issue were determined
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in respect of which the Beneficial Owner is beneficially interested
“Registrar”	the branch share registrar and transfer office of the Company, being Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the offer of the Rights Shares to the Qualifying Shareholders at the Subscription Price, on the basis of one (1) Rights Share for every two (2) existing Shares held by each Qualifying Shareholder on the Record Date
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Option”	the share option(s) of the Company granted pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2023
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Opportunity”	has the meaning as defined under the section headed “Reasons for the Rights Issue” in the “Letter from the Board” in this prospectus
“Subscription Price”	the subscription price of HK\$0.18 per Rights Share
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Target”	has the meaning as defined under the section headed “Reasons for the Rights Issue” in the “Letter from the Board” in this prospectus
“United States” or “US”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia)
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders or holders of Nil Paid Rights
“US person(s)”	any person(s) or entity(ies) deemed to be a US person for the purposes of Regulation S under the US Securities Act
“US Securities Act”	the US Securities Act of 1933, as amended from time to time
“%”	per cent or percentage

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this prospectus:

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.18 per Rights Share
Number of the existing Shares in issue as at the Record Date:	631,390,200 Shares
Number of Rights Shares to be issued under the Rights Issue	Up to 315,695,100 Rights Shares
Maximum enlarged number of issued Shares upon completion of the Rights Issue:	947,085,300 Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Maximum proceeds to be raised under the Rights Issue before expenses:	HK\$56,825,118

As at the Latest Practicable Date, the Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

The maximum number of 315,695,100 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.0% of the total number of the existing issued Shares as at the Record Date and 33.3% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of such rights issue, open offers and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a Theoretical Dilution Effect (as defined below) of 25% or more on its own.

EXPECTED TIMETABLE

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below.

Event	Date
First day of dealing in Nil Paid Rights	Wednesday, 20 December 2023
Latest time for splitting Nil Paid Rights	4:00 p.m., on Friday, 22 December 2023
Last day of dealing in Nil Paid Rights	Friday, 29 December 2023
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m., on Thursday, 4 January 2024
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 4 January 2024
Announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements to be posted on the Stock Exchange's website and the Company's website on or before	Thursday, 11 January 2024
Commencement of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	Friday, 12 January 2024
Latest time of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	6:00 p.m. on Tuesday, 16 January 2024
Latest Time for Termination	4:00 p.m., on Wednesday, 17 January 2024
Announcement of the results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and the NQS Unsold Rights Shares under the Compensatory Arrangements) to be posted on the Stock Exchange's website and the Company's website on or before	Friday, 19 January 2024

EXPECTED TIMETABLE

Despatch of Refund cheques (if any)	Monday, 22 January 2024
Despatch of certificates for fully-paid Rights Shares	Monday, 22 January 2024
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 23 January 2024
Payment of the Net Gain (if any) to relevant No Action Shareholders and Non-Qualifying Shareholders (if any)	Wednesday, 7 February 2024

Note: All times and dates in this prospectus refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable for the Rights Issue as set out above, and in other parts of this prospectus, are indicative only, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning and/or “extreme conditions caused by super typhoons” as announced by the Hong Kong Government:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same day; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the latest time of 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 at any time between 9:00 a.m. and 4:00 p.m. If the latest time for acceptance of and payment for the Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected Timetable for the Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



華邦科技控股有限公司

HUABANG TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3638)

Executive Directors:

Mr. Qu Hongqing
Mr. Chan Wing Sum (*Chief Executive Officer*)
Ms. Kwok Ling Yee Pearl Elizabeth

Registered Office:

PO Box 309, Uglad House
Grand Cayman
KY1-1104
Cayman Islands

Independent Non-executive Directors:

Mr. Loo Hong Shing Vincent
Mr. Zhu Shouzhong
Mr. Li Huaqiang

*Head Office and Principal Place of Business in
Hong Kong:*

33/F, Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon, Hong Kong

18 December 2023

*To the Qualifying Shareholders and, for information purposes only,
the Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF RIGHTS SHARES
ON THE BASIS OF ONE (1) RIGHTS SHARE
FOR EVERY TWO (2) EXISTING SHARES
AT HK\$0.18 PER RIGHTS SHARE**

INTRODUCTION

Reference is made to the Announcement and the Company's announcement dated 29 November 2023 in relation to the Rights Issue.

It was announced that the Company proposed to raise not more than HK\$56,825,118 before expenses by way of the Rights Issue to the Shareholders. The Rights Issue is not underwritten and involves the issue of up to 315,695,100 Rights Shares at the Subscription Price of HK\$0.18 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date.

The purpose of this prospectus is to provide you with further information on, among other things, the Rights Issue, including procedures for acceptance, transfer and splitting of provisional allotments of the Rights Shares and certain financial information and other information in respect of the Group.

LETTER FROM THE BOARD

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\$0.18 per Rights Share
Number of the existing Shares in issue as at the Record Date:	631,390,200 Shares
Number of Rights Shares to be issued under the Rights Issue:	Up to 315,695,100 Rights Shares
Maximum enlarged number of issued Shares upon completion of the Rights Issue:	947,085,300 Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Maximum proceeds to be raised under the Rights Issue before expenses:	HK\$56,825,118

As at the Latest Practicable Date, the Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

The maximum number of 315,695,100 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.0% of the total number of the existing issued Shares as at the Record Date and 33.3% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders and the NQS Unsold Rights Shares will be placed to independent places under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Qualifying Shareholder who applies to take up all or part of his/her/its entitlement under the Provisional Allotment Letter may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Qualifying Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying Shareholder (except for

LETTER FROM THE BOARD

HKSCC Nominees) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

Undertakings

The board of directors of the Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

Subscription Price

The Subscription Price of HK\$0.18 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or when a transferee of the nil-paid Rights Shares accepts the provisional allotment of the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 29.41% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 24.05% to the closing price of HK\$0.237 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 18.55% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.221;
- (iv) a discount of approximately 13.88% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.209;
- (v) a discount of approximately 17.43% to the theoretical ex-rights price of approximately HK\$0.218 per Share based on the closing price of HK\$0.237 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of approximately 47.37% to the consolidated net asset value attributable to the Shareholders as at 31 March 2023 as extracted from the annual report of the Company for the year ended 31 March 2023 of approximately HK\$0.342 per Share (based on the total equity attributable to owners of the Company of approximately HK\$179,935,000, divided by 526,162,200 Shares in issue as at 31 March 2023);

LETTER FROM THE BOARD

- (vii) a discount of approximately 34.07% to the unaudited consolidated net asset value attributable to the Shareholders as at 30 September 2023 as extracted from the interim results announcement of the Company for the six months ended 30 September 2023 of approximately HK\$0.273 per Share (based on the total equity attributable to owners of the Company of approximately HK\$172,422,000, divided by 631,390,200 Shares in issue as at 30 September 2023); and
- (viii) a dilution effect of approximately 8.02% to the existing Shareholders if they elect not to/cannot participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.218 per Share (taking into account the closing price of the Last Trading Day of HK\$0.237 per Share) and the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and excluding the Last Trading Day of approximately HK\$0.212 (the “**Theoretical Dilution Effect**”).

Under the Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its existing shareholdings in the Company. The Board considers that the discount of the Subscription Price to the current market price will encourage them to participate in the Rights Issue. The Subscription Price and the Rights Issue ratio were determined by the Board based on the funding needs of the Group. The Board is of the view that the Rights Issue will provide the Group with sufficient funding to reduce the financial burden in the manner as set out under the section headed “Reasons for the Rights Issue” below in this prospectus. As such, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

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

Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:30 p.m. on Friday, 24 November 2023. The last day of dealings in the Shares on a cum-rights basis was Wednesday, 22 November 2023 and the Shares have been dealt with on an ex-rights basis from Thursday, 23 November 2023.

The Company despatched the Prospectus Documents to the Qualifying Shareholders on the Posting Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the Provisional Allotment Letter and lodging the same with a cheque or banker’s cashier order for the Rights Shares being applied for with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, on or before 4:00 p.m. on the Latest Acceptance Date.

LETTER FROM THE BOARD

The Qualifying Shareholders who take up their provisional allotment in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents. For example, if a Shareholder holds 5 existing Shares, this Shareholder will be entitled to receive 2 Rights Shares (based on the aforesaid ratio and rounded down to the nearest whole number).

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the Provisional Allotment Letter(s) and lodging the same with 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.

Distribution of this prospectus and other Prospectus Documents

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

Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons receiving the Prospectus Documents (including, without limitation, Shareholders and Beneficial Owners, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

Receipt of this prospectus and/or a PAL or the crediting of nil-paid Rights Shares to any stock account (including in CCASS) does not and will not constitute an offer in any jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or other Prospectus Documents must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this prospectus and other Prospectus Documents or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer nil-paid Rights Shares to any person in, into or from, any jurisdiction outside Hong Kong, unless offer to such jurisdictions could lawfully be made without compliance with any registration or other legal or regulatory requirements or where the offer is made reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgement, be unduly burdensome. If a PAL or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL or transfer the nil-paid Rights Shares in CCASS unless the Company, in its absolute discretion, determines that such actions would not violate applicable legal or regulatory requirements. Any

LETTER FROM THE BOARD

person (including, without limitation, agents, custodians, nominees and trustees) who forwards this prospectus and/or a PAL in, into or from, any jurisdiction outside Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but will not send the Provisional Allotment Letter to them (if any).

The Prospectus Documents will not be sent, directly or indirectly, to or into the United States or to any US person.

As at the Latest Practicable Date, there were no Non-Qualifying Shareholders or Overseas Shareholders with registered addresses situated outside Hong Kong. Had there been any Non-Qualifying Shareholders, arrangements will be made for the Rights Shares, which otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form, to be sold as soon as practicable after dealings in the nil-paid Rights Shares commence. The proceeds of such sale, less expenses and stamp duty, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders (if any) to their shareholdings held on the Record Date in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit.

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form, will be placed by the Placing Agent under the Placing Arrangement together with the Unsubscribed Rights Shares. The proceeds of the sale as described above in the case of being sold by the Placing Agent, less the Subscription Price and expenses, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders (if any) to their shareholdings held on the Record Date in Hong Kong dollars together with the No Action Shareholders on the basis of all NQS Unsold Rights Shares and Unsubscribed Rights Shares. The Company will retain individual amounts of less than HK\$100 for its own benefit. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Non-Qualifying Shareholders (if any) should exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

Procedures for acceptance, application or transfer

General

Any Qualifying Shareholder (including, without limitation, any agent, custodian, nominee and trustee) wishing to take up the Rights Shares (in nil-paid or fully-paid form) under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Each subscriber of the Rights Shares will be deemed (by accepting delivery of this prospectus) to have given each of the following representations and warranties to the Company and to any person acting on their behalf, unless the Company waives such requirement in its sole discretion in relation to the relevant representation(s) and/or warranty(ies) given to each of them:

- he/she/it was a Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- subject to certain exceptions, he/she/it is not resident or located in, or a citizen of, the United States, and is not a US person;
- subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the United States or is a US person at the time the instruction to accept was given;
- he/she/it is not doing so for the account of any person who is located in the United States or is a US person, unless:
 - a. the instruction to purchase or take up the rights or to subscribe for or accept Rights Shares was received from a person outside the United States who is not a US person; and
 - b. the person giving such instruction has confirmed that he/she/it (i) has the authority to give such instruction; and (ii) either (A) has investment discretion over such account; or (B) is an investment manager or investment company that is acquiring the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;

LETTER FROM THE BOARD

- he/she/it is not acquiring rights or Rights Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the United States; and
- he/she/it understands that neither the rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the rights or Rights Shares are being distributed and offered outside the United States to persons who are not US persons in reliance on Regulation S under the US Securities Act. Consequently, he/she/it understands the rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the United States or to US persons, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees is subject to any of the above representations and warranties.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a Provisional Allotment Letter(s) is enclosed with this prospectus which entitles such Qualifying Shareholder to subscribe for the number of the Rights Shares shown thereon. If Qualifying Shareholder(s) wish(es) to exercise his/her/their rights to subscribe for all the Rights Shares provisionally allotted to him/her/them as specified in the Provisional Allotment Letter(s), he/she/it must lodge the Provisional Allotment Letter(s) in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on the Latest Acceptance Date. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Huabang Technology Holdings Limited**" and crossed "**Account Payee Only**". Such payment will constitute acceptance of the terms of the Provisional Allotment Letter(s) and this prospectus and subject to the articles of association of the Company. No receipt will be issued for sums received on application. Share certificate(s) for all fully-paid Rights Share in respect of which the application is accepted will be sent to the Qualifying Shareholders, and in the case of joint Qualifying Shareholders, to the first named Qualifying Shareholder, by ordinary post at their own risk, to their registered addresses on Monday, 22 January 2024.

It should be noted that unless the Provisional Allotment Letter(s), together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on the Latest Acceptance Date, 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 discretion, treat a Provisional Allotment Letter(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

All cheques or banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. **Completion and return of the Provisional Allotment Letter(s) will constitute a warranty and representation to the Company that**

LETTER FROM THE BOARD

all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the Provisional Allotment Letter(s) and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees is subject to such warranty and representation. Any Provisional Allotment Letter(s) in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. If any of the conditions mentioned in the section headed "Conditions of the Rights Issue" below is not fulfilled, the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest by means of cheques despatched by ordinary post at the risks of such persons on Monday, 22 January 2024.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Transfers and "splitting" of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and/or sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the Provisional Allotment Letter(s) to more than one person, the original Provisional Allotment Letter(s) must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split Provisional Allotment Letter(s) required and the number of nil-paid Rights Shares to be comprised in each split Provisional Allotment Letter(s) (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original Provisional Allotment Letter(s), by no later than 4:00 p.m. on Friday, 22 December 2023 to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will then cancel the original Provisional Allotment Letter(s) and issue new Provisional Allotment Letter(s) in the denominations required, which will be available for collection at the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original Provisional Allotment Letter(s). This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new Provisional Allotment Letter(s) should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a Provisional Allotment Letter(s) (or a split Provisional Allotment Letter(s), as the case may be) to another person, he/she/it should complete and sign the "Form of transfer and nomination" (Form B) in the Provisional Allotment Letter(s) and hand the Provisional Allotment Letter(s) to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete, sign and stamp

LETTER FROM THE BOARD

“Registration application form” (Form C) in the Provisional Allotment Letter(s) and lodge the Provisional Allotment Letter(s) intact together with a remittance for the full amount payable on acceptance with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to effect the transfer by no later than 4:00 p.m. on the Latest Acceptance Date. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares and the transferee(s) of such rights.

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

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable for the Rights Issue” in this prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable for the Rights Issue” in this prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS

LETTER FROM THE BOARD

Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Procedures in respect of the Rights Shares not subscribed and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company has made arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the latest time for acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent placees on a best effort basis. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 6:00 p.m., on Tuesday, 16 January 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- A. where the Nil Paid Rights are, at the time they lapse, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter (unless that person is covered by (C) below);

LETTER FROM THE BOARD

- B. where the Nil Paid Rights are, at the time they lapse, registered in the name of HKSCC Nominees, to the beneficial holders (via their respective CCASS Participants) as the holders of those Nil Paid Rights in CCASS (unless that person is covered by (C) below); and
- C. if the Rights Issue is extended to the Overseas Shareholders (if any) and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to those Overseas Shareholders.

For Net Gain (if any) to Non-Qualifying Shareholders, please refer to the section headed “Non-Qualifying Shareholders” above.

It is proposed that Net Gain to any of the No Action Shareholders mentioned in “A” to “C” of HK\$100 or more will be paid to them in Hong Kong dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares

On 17 November 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure independent placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date: 17 November 2023

Placing Agent: Mouette Securities Company Limited was appointed as a Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis.

Mr. Chan, an executive Director, was a director and the chief executive officer of the Placing Agent from April 2022 until his resignation on 31 August 2023. There is no current or historic shareholding, directorship (save as disclosed above), employment (save as disclosed above) or any other relationship between Mr. Chan and the Placing Agent.

Save as disclosed above, the Board is not aware of any past or existing relationship between the Company and its connected persons on the one hand, and the Placing Agent on the other, and the Placing Agent has confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company.

LETTER FROM THE BOARD

Fees and expenses:	The Company shall pay to the Placing Agent a placing commission equal to 2% of the aggregate amount of the placing price multiplied by the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion. The Company will pay all the out-of-pocket expenses including all costs, disbursements, legal fees and other professional expenses properly and reasonably incurred by the Placing Agent in connection with the Placing on actual incurrence basis or as agreed between the parties in accordance with the Placing Agreement.
Placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe):	The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price. The final price determination depends on the demand and market conditions of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the process of placement.
Placees:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial shareholder after completion of the Placing.
Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the existing Shares in issue.
Termination:	The Placing Arrangement shall end on 4:00 p.m. on 3 January 2024 or any other subsequent Business Day by mutual written agreement between the Placing Agent and the Company. The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company prior to the Completion Date if at any time prior to 5:00 p.m. of the Business Day immediately preceding the Completion Date if any of the following events occurs:

LETTER FROM THE BOARD

- (a) the introduction of any new Law or regulation or any change in existing Laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (d) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement; or

LETTER FROM THE BOARD

- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

In view of the revised expected timetable for the Rights Issue as disclosed in the Company's announcement dated 29 November 2023, the Company and the Placing Agent agreed that the Placing Arrangement shall end on 4:00 p.m. on Wednesday, 17 January 2024 (or any other subsequent Business Day by mutual agreement in writing between the Company and the Placing Agent), and the Placing Agent may terminate the Placing Agreement without any liability to the Company by giving notice in writing to the Company prior to 4:00 p.m. on Wednesday, 17 January 2024 if at any time prior to 4:00 p.m. on Wednesday, 17 January 2024 any of the force majeure events as set out in the Placing Agreement occurs.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company. The Directors consider the fee charged by the Placing Agent is no less favourable to the Company than the commission in recent placing transactions and therefore the terms of the Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are on normal commercial terms. The Directors believe the expenses as typical and ordinary in the marketing of securities.

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

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil Paid Rights are expected to be traded in same board lot size as the Shares, i.e., 12,000 shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange. No new class of securities is to be issued.

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on Monday, 22 January 2024 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risks, to their registered addresses.

Each Shareholder (except HKSCC Nominees) will receive one share certificate for all allotted Rights Shares.

Refund cheques (if any) are expected to be posted on Monday, 22 January 2024 by ordinary post to the applicants at their own risk, to their registered addresses.

Conditions of the Rights Issue

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

- (i) The delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules.
- (ii) The despatch of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders, if any, for information purpose only.
- (iii) The Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares.
- (iv) All relevant consents and approvals being obtained from the regulatory authorities, including the Stock Exchange, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required.

All of the conditions are incapable of being waived. If the conditions above are not satisfied on or before the Long Stop Date, the Rights Issue shall be terminated in which case, a further announcement will be made by the Company at the relevant time.

As at the Latest Practicable Date, none of the conditions precedent has been fulfilled.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both 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 date of

LETTER FROM THE BOARD

dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Splitting and transfer of the Provisional Allotment Letter

If you wish to accept only part of your provisional allotment or transfer only part of your rights to subscribe for the Rights Shares provisionally allotted to or to transfer all or part of your rights to more than one person, the original PAL must be surrendered and lodged for cancellation and splitting of the relevant PAL(s) first together with a cover letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:00 p.m. on Friday, 22 December 2023 to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will then cancel the original PAL and issue new PAL(s) in the denominations required, which will be available for collection at the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong after 9:00 a.m. on the second Business Day after the surrender of the original PAL. Thereafter, upon collection of new PAL(s), you can transfer the relevant nil-paid Rights Shares to the relevant transferee(s) following the procedures and steps as stated in the below paragraph.

If you wish to transfer all of your rights to subscribe for the Rights Shares provisionally allotted to you hereunder, you must complete and sign the “Form of transfer and nomination” (Form B) in the PAL and hand the PAL to the transferee(s) or through whom you are transferring your rights. The transferee(s) must then lodge the duly completed, signed and stamped “Registration application form” (Form C) in the PAL to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for re-registration no later than 4:00 p.m. on Thursday, 4 January 2024.

The Registrar will determine the eligibility for the cash compensation as derived from the lapsed PALs after the completion of the re-registration for all re-registration request received by the Registrar on or before the latest time for acceptance of and payment for Rights Shares and by all means before the announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements is posted on the Stock Exchange’s website and the Company’s website. The Registrar should notify the transferee(s) of any unsuccessful re-registration as soon as practicable.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; (iii) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed

LETTER FROM THE BOARD

by the Placing Agent; and (iv) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent	
	Number of issued Shares	%	Number of issued Shares	%	Number of issued Shares	%	Number of issued Shares	%
Substantial Shareholders								
Forever Star Capital Limited ^(Note 1)	243,989,600	38.64	365,984,400	38.64	243,989,600	25.76	243,989,600	38.64
Placees ^(Note 2)	-	-	-	-	315,695,100	33.33	-	-
Public Shareholders	<u>387,400,600</u>	<u>61.36</u>	<u>581,100,900</u>	<u>61.36</u>	<u>387,400,600</u>	<u>40.91</u>	<u>387,400,600</u>	<u>61.36</u>
Total	<u>631,390,200</u>	<u>100</u>	<u>947,085,300</u>	<u>100</u>	<u>947,085,300</u>	<u>100</u>	<u>631,390,200</u>	<u>100</u>

Notes:

- There are 243,989,600 Shares which were registered in the name of Forever Star Capital Limited. Ms. Shen Wei holds 100% interest in Forever Star Capital Limited and is therefore deemed to be interested in the 243,989,600 Shares held by Forever Star Capital Limited.
- If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial shareholder after completion of the Placing.
- Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, subscription prices on the exercise of the Share Options and/or number of Shares related to the Share Options under the Share Option Scheme may be adjusted in accordance with the Share Option Scheme upon the Rights Issue becoming unconditional.

The Company will notify the holders of the Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
5 September 2023	The Placing of 105,228,000 Shares at the placing price of HK\$0.25 under general mandate	HK\$25.5 million	General working capital of the Group	HK\$22.1 million have been utilised as working capital for the Group; and the remaining HK\$3.4 million will be utilised as intended before 31 December 2023

Save as the abovementioned, the Company had not conducted any other fundraising exercise in the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE RIGHTS ISSUE

The Group is principally engaged in (i) trading business (including the trading of computer and peripheral products and electronics products), (ii) food trading business and (iii) financial services business.

The Company intends to apply the net proceeds from the Rights Issue towards (i) expanding the Group's trading business and financial services business, (ii) exploiting any opportunities to acquire new businesses or make strategic investments to broaden or create synergy for the Group's trading business, and (iii) the general working capital of the Group. For details, please see the section headed "Proposed Use of Proceeds" below.

As disclosed in the Company's Annual Report 2023, the Company's management has been dedicated to exploiting new business opportunities and new business segment from time to time, including business opportunities in the trading business. In the Board's opinion, the Company has weathered difficult business conditions in the past years due to a number of extrinsic factors. Notwithstanding that the Group was receptive to proposals to downsize or terminate its financial services business as stated in the Company's Annual Report 2023, since October 2023, the Board has shifted to a more optimistic view towards the potential for growth of the financial services business of the Group, as the Board considers that the general economic environment has begun to show signs of stabilising and resumption of its normal pace. Further, the Board anticipates that many countries and jurisdictions would consider and adopt flexible and accommodative monetary policies and may introduce fiscal stimuli to jump-start and sustain economic recovery. Notably, the Hong Kong Government has made a number of beneficial proposals in the policy address published on 25 October 2023, including (i) reducing the rate of the Hong Kong stamp duty chargeable for stock transfers from 0.13% to 0.1% per side, (ii) facilitating the set-up or expansion of 200 family offices from 2022 to 2025, and (iii) the implementation of the Capital Investment Entrant Scheme, allowing entry for eligible investors with HK\$30 million or more invested in assets such as stocks, funds

LETTER FROM THE BOARD

and bonds. Therefore, the Board believes that it is an opportune time to raise funds to equip the Group with the capacity to expand and/or make investments in relation to its existing businesses to take advantage of a rebound from prior years.

Separately, in view of (i) the continuing economic recovery in the PRC, and continued vitality in new consumer electronics, developments in 5G-networks and the internet-of-things, (ii) the general demand for electronic and semi-conductor components used in different sectors of manufacturing (from phones and personal electronics to new vehicles with navigation aids, etc.), and (iii) the risk of impact to the supply of electronic and semi-conductor components due to political and trade disputes between the United States of America and the PRC, as well as geopolitical tensions in various regions, the Board believes this presents opportunities in the electronics and semi-conductor industry, as well as the businesses supporting it in the PRC. The Board believes that having sufficient funds on hand would enable the Group to better verify and perform due diligence on potential investment opportunities, and allow the Group to represent itself as a genuinely interested party.

As at the Latest Practicable Date, the Group has been engaged in discussions over an opportunity to acquire a business in the PRC engaged in trading of electronic assembly equipment and semi-conductor machinery (the “**Strategic Opportunity**”).

The Group is conducting a due diligence exercise for the Strategic Opportunity as at the Latest Practicable Date. Based on the due diligence exercise, the Board understands that the target of the Strategic Opportunity (the “**Target**”) supplies electronic assembly equipment to factories manufacturing electronic products in the PRC, and its customers include businesses engaged in the production of automobile electronics, electric cars, mobile phones and electrical home appliances, etc. The Board aims to achieve synergy with the Group’s existing electronics trading business through the Strategic Opportunity, as the Board considers that the Target’s customers would require electronic components such as memory chips in their production, which the Group supplies. By acquiring the Target, the Board expects to increase the Group’s customer base and enable the Group to supply these manufacturers (potentially without the hurdle of becoming an approved supplier for such manufacturers). Likewise, the Board expects that the Group’s current customers may be valuable for the Target’s business. As at the Latest Practicable Date, the Group has not entered into any binding commitment with respect to the Strategic Opportunity and/or the Target. Should such acquisition materializes, the Company will comply with the requirements under the Listing Rules.

In view of the above, notwithstanding the Company’s recent Placing completed on 19 September 2023 (for further details, please refer to the section headed “Fund raising exercise of the Company in the past 12 months” in the “Letter from the Board” in this prospectus), the Board considers that the Rights Issue will provide a good opportunity for the Company to raise funds to strengthen its capital base and improve its financial position for the reasons noted above, while also allowing all outstanding Shareholders to maintain their proportional shareholdings in the Company.

The Board has considered other fund-raising methods including debt financing and equity placement. The Board had considered fund raising by debt financing, however it would create additional interest burden on and result in a higher gearing ratio of the Group, especially with recent global interest rate hikes; and subject the Group to repayment obligations which are less beneficial to the Group. In view of this, the Board has avoided raising funds via debt financing on this occasion.

LETTER FROM THE BOARD

Equity fund raising, such as the placing of new Shares, would be relatively small scale as compared to a rights issue and may not be received well following the Company's recent completion of the Placing.

In addition, the Rights Issue is pre-emptive in nature, allowing Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. Pursuant to the Rights Issue, the Qualifying Shareholders may (a) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to availability); or (b) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to market demand). The Board considers that the Rights Issue effected on a pro-rata basis gives all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company, whereas an open offer does not provide Shareholders with the same opportunity to increase or decrease their respective interests in the shareholding of the Company as described above. As such, the Board considered an open offer to be less favourable to the Shareholders and did not pursue it. The Board considers it is prudent and preferable to finance the long-term growth of the Group in the form of equity fund raising which will not increase the Group's financing costs. In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise.

PROPOSED USE OF PROCEEDS

The estimated maximum net proceeds from the Rights Issue (after deducting the expenses) are approximately HK\$54.985 million. Assuming the Rights Issue is fully subscribed, the Company intends to apply the net proceeds from the Rights Issue as to:

- (i) approximately 35-40% of the net proceeds to expand or make investments in relation to the Group's food trading business, and financial services business, applied in the following manner and amounts:
 - (a) in respect of the Group's food trading business, approximately 15-20% of the net proceeds would be applied towards new sources of supplier(s) for the procurement of frozen food products (such as chicken paw, wings, drumsticks, and other types and cuts of meat, etc.) from various regions of the world including but not limited to Brazil, in order to supply the Hong Kong and PRC markets; and
 - (b) in respect of the Group's financial services business, approximately 20% of the net proceeds would be applied towards strengthening the Group's securities brokerage services and expanding its financial services to include book-building and placing activities with a focus on equity capital markets and debt capital markets, such as acting as a placing agent for shares, underwriting issuances, and acting as the bookrunner to place bond/debenture issues by (1) employing new staff with relevant experience and expertise, (2) upgrading and replacing the Group's trading and computer systems, and (3) strengthening the capital base which the Group is required to maintain under the relevant regulations for the Group's financial services business;
- (ii) up to approximately 30-35% of the net proceeds towards the Strategic Opportunity; and

LETTER FROM THE BOARD

- (iii) any balance of the net proceeds (approximately 25-35%) would be applied towards the general working capital of the Group, of which:
- (a) approximately 50-75% for payment of future payroll;
 - (b) approximately 20-40% for payment of rental expenses; and
 - (c) approximately 10-15% for payment of professional fees.

In the event that the Rights Issue is not subscribed in full, the Board would allocate the net proceeds in the following order: (i) pursuing the Strategic Opportunity (to the extent that the proceeds from the Rights Issue is sufficient for that purpose); (ii) expanding the Group's food trading business; and (iii) expanding the Group's financial services businesses. If the Strategic Opportunity does not proceed, for the reasons set out under the section headed "Reasons for the Rights Issue" in this prospectus, the Board would apply the proceeds for the Strategic Opportunity towards an investment opportunity for another business that is also related to the semiconductor and electronics industry. Further, if the Strategic Opportunity does not proceed and the Board does not identify an alternate investment opportunity within 12 months after the completion of the Rights Issue, the proceeds for the Strategic Opportunity would be applied towards the general working capital of the Group. From the information currently available, the Company expects to completely utilise the proceeds of the Rights Issue within 12 months from the Latest Practicable Date. The Company will make further announcement(s) on the use of proceeds as appropriate in accordance with the Listing Rules.

The estimated expenses of the Rights Issue (including advisory fees for the professional parties, printing, registration, translation, legal, accounting and documentation charges) are estimated to be approximately HK\$1.8 million and will be payable by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares are expected to be approximately HK\$0.174. The aggregate nominal value of the Rights Shares will be HK\$2,630,687.27 (assuming no change in number of Shares on or before the Record Date).

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon certain conditions including, among others, the Listing Committee granting the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms). Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Thursday, 23 November 2023. Any Shareholder or other person dealing in the Shares and/or nil-paid Rights Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled, will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed.

LETTER FROM THE BOARD

Any Shareholder or other person contemplating any dealings in the Shares and/or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

LISTING RULES IMPLICATIONS

As the Rights Issue will not increase the number of issued shares of the Company or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12-month period immediately preceding the announcement of the rights issue or (ii) prior to such 12-month period where dealing in respect of the shares issued pursuant thereto commenced within such 12-month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a Theoretical Dilution Effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

PROFESSIONAL TAX ADVICE RECOMMENDED

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 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.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Huabang Technology Holdings Limited
Qu Hongqing
Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group, together with the notes thereto, for the three years ended 31 March 2021, 2022 and 2023 and the six months ended 30 September 2023 were set out in the relevant annual reports and interim results announcement of the Company. The said annual reports and interim results announcement of the Company are available on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (www.huabangtechnology.com):

- (i) pages 67 to 192 of the annual report for the year ended 31 March 2023 of the Company published on 24 July 2023:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0724/2023072400850.pdf>

- (ii) pages 69 to 194 of the annual report for the year ended 31 March 2022 of the Company published on 28 July 2022:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800461.pdf>

- (iii) pages 63 to 194 of the annual report for the year ended 31 March 2021 of the Company published on 26 July 2021:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0726/2021072600599.pdf>

- (iv) pages 2 to 28 of the interim results announcement for the six months ended 30 September 2023 of the Company published on 30 November 2023:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1130/2023113001648.pdf>

2. BUSINESS TREND AND TRADING AND FINANCIAL PROSPECT

The Group is principally engaged in (i) trading business (including the trading of computer and peripheral products and electronics products), (ii) food trading business and (iii) financial services business.

The Board is confident in the future development of the Group in the electronic and semi-conductor industry. Despite possible disruptions to the PRC economy, the Board is confident about the mid-to-long-term recovery of the PRC market. It is expected that the PRC economy will undergo a steady growth and the Board believes that the central government will continue to provide accommodative monetary policy and fiscal stimulus necessary to support economic growth. As mentioned in the section headed “Reasons for the Rights Issue” in the “Letter from the Board” in this prospectus, in view of (i) the continuing economic recovery in the PRC, and continued vitality in new consumer electronics, developments in 5G-networks and the internet-of-things, (ii) the general demand for electronic and semi-conductor components used in different sectors of manufacturing (from phones and personal electronics to new vehicles with navigation aids, etc.), and (iii) the risk of impact to the supply of electronic and semi-conductor components due to political and trade disputes between the United States of America and the PRC, as well as geopolitical tensions in various regions, the Board

believes this presents opportunities in the electronics and semi-conductor industry, as well as the businesses supporting it in the PRC. The Board believes that having sufficient funds on hand would enable the Group to better verify and perform due diligence on potential investment opportunities, and allow the Group to represent itself as a genuinely interested party.

As of the Latest Practicable Date, the Group has been engaged in discussions over an Strategic Opportunity, and is conducting a due diligence exercise for the Strategic Opportunity. For details about the Target, please refer to the section headed “Reasons for the Rights Issue” in the “Letter from the Board” in this prospectus. Through the Strategic Opportunity, the Board aims to achieve synergy with the Group’s existing electronics trading business, as the Board considers that the Target’s customers would require electronic components such as memory chips in their production, which the Group supplies. By acquiring the Target, the Board expects to increase the Group’s customer base and enable the Group to supply these manufacturers (potentially without the hurdle of becoming an approved supplier for such manufacturers). Likewise, the Board expects that the Group’s current customers may be valuable for the Target’s business.

The Group took a positive view of the future prospects of the food trading business. Unlike other consumer discretionary products (such as durable goods and personal electronic products), food products enjoy a stable demand across a broad range of economic conditions. Based on the financial results of the Group’s food trading business for the past few years, notwithstanding the social unrest experienced in Hong Kong in 2019 and the impact of the COVID-19 pandemic, the food trading business performed steadily and continued to record profits even when broad sections of the economy in Hong Kong suffered. Looking ahead, as Hong Kong economic activities recover, the Group anticipates higher levels of consumer consumption, and higher demand from the local restaurants/catering service providers, resellers and retailers, which is expected to benefit the financial performance of the business.

In respect of the financial services business, as mentioned in the section headed “Reasons for the Rights Issue” in the “Letter from the Board” in this prospectus, the Board has shifted to a more optimistic view towards the potential for growth of the financial services business of the Group. The Board anticipates that many countries and jurisdictions would consider and adopt flexible and accommodative monetary policies and may introduce fiscal stimuli to jump-start and sustain economic recovery. With the beneficial proposals that the Hong Kong Government has made in the policy address published on 25 October 2023, the Board believes that it is an opportune time to raise funds to equip the Group with the capacity to expand and/or make investments in relation to its existing businesses to take advantage of a rebound from prior years.

Overall, the management is confident with the future development of the Group. The Group will continue to adhere to our principle of steady development and positively cope with any challenges and capture suitable opportunities. The Group will continue to dedicate to exploiting new business opportunities in other sectors from time to time in order to further diversify and broaden revenue sources of the Group and generate favourable returns and long-term values for the Shareholders.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL STATEMENT

Taking into account the net proceeds from the Rights Issue and the Group's presently available financial resources, including internally generated funds from operations and available financial facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this prospectus.

5. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this prospectus, the Group had the following indebtedness:

Bank Borrowings and Mortgages

As at the close of business on 31 October 2023, the Group had bank borrowings of approximately HK\$131.45 million. Bank borrowings of approximately HK\$121.15 million were secured by the Group's leasehold properties situated in Hong Kong. Bank borrowings of approximately HK\$10.30 million were guaranteed by a shareholder of the Company.

Lease Liabilities

As at the close of business on 31 October 2023, the Group, as a lessee, had outstanding unpaid contractual lease liabilities of approximately HK\$9.48 million in relation to the remaining lease terms of the right-of-use assets which are unsecured and unguaranteed.

Capital Commitment

As at 31 October 2023, the Group did not have any material capital commitment.

Disclaimers

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

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

Capitalised terms used herein shall have the same meanings as defined in the Prospectus unless the context requires otherwise. 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 by the Directors in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 as if the Rights Issue had taken place on 30 September 2023.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023, as extracted from the published interim results announcement of the Group for the six months ended 30 September 2023, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 September 2023 or at any future date.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 <i>(Note 1)</i> HK\$'000	Unaudited estimated net proceeds from the Rights Issue <i>(Note 2)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 <i>(Note 3)</i> HK\$'000
160,752	54,985	215,737

Unaudited consolidated net tangible assets of the Group per existing Share as at 30 September 2023 before completion of the Rights Issue *(Note 4)*

HK\$0.255

Unaudited pro forma adjusted consolidated net tangible assets of the Group per adjusted share immediately after completion of the Rights Issue *(Note 5)*

HK\$0.228

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 is extracted from the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 September 2023 of approximately HK\$172,422,000 as adjusted by exclusion of intangible assets of approximately HK\$11,670,000 as shown in the interim results announcement of the Group for the period ended 30 September 2023.
- The estimated net proceeds from the Rights Issue are based on 315,695,100 Rights Shares at the Subscription Price of HK\$0.18 per Rights Share, after deducting all necessary estimated expenses of approximately HK\$1,840,000 which are directly attributable to the Rights Issue.
- The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the Rights Issue represents the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 plus the estimated net proceeds from the Rights Issue as set out in note 2 above, as appropriate.

4. The unaudited consolidated net tangible assets per existing Share before completion of the Rights Issue is determined based on the amount as disclosed in note 1 above, divided by 631,390,200 existing shares immediately before completion of the Right Issue.
5. The unaudited pro forma adjusted consolidated net tangible assets per adjusted share immediately after completion of the Right Issue is determined based on the amount as disclosed in note 3 above, divided by 947,085,300 adjusted shares assuming that the Rights Issue had been completed on 30 September 2023.
6. 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 30 September 2023.

**B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

The following is text of a report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountants of the Company, Baker Tilly Hong Kong Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group as set out in Section A of Appendix II to this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To The Directors of Huabang Technology Holdings Limited**

Capitalised terms used in this report shall have the same meanings as defined in the prospectus dated 18 December 2023 (the "**Prospectus**") of Huabang Technology Holdings Limited (the "**Company**") unless the context requires otherwise.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of the Company and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 as set out on pages II-1 to II-3 of the Prospectus. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-3 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's consolidated net tangible assets attributable to owners of the Company as at 30 September 2023 as if the Rights Issue had taken place at 30 September 2023. As part of this process, information about the Group's consolidated net tangible assets has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2023, on which an interim results announcement has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 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 Management

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

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

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event or 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 Rights Issue at 30 September 2023 would have been as presented.

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

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

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong

18 December 2023

Gao Yajun

Practicing certificate number P06391

(1) RESPONSIBILITY STATEMENT

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

(2) SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming no new Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and all the Shareholders have taken up all the entitled Rights Shares); and (iii) immediately after completion of the Rights Issue (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and none of the Shareholders have taken up all the entitled Rights Shares) are set out as follows:

(i) As at the Latest Practicable Date

	Number of Shares	Nominal value of Shares HK\$
<i>Authorised:</i>		
Ordinary shares of HK\$0.008333 each	9,600,000,000	80,000,000
<i>Issued and fully-paid:</i>		
Ordinary shares of HK\$0.008333 each	631,390,200	5,261,374.54

- (ii) **Immediately after completion of the Rights Issue (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and all the Shareholders have taken up all the entitled Rights Shares)**

	Number of Shares	Nominal value of Shares HK\$
<i>Authorised:</i>		
Ordinary shares of HK\$0.008333 each	9,600,000,000	80,000,000
<i>Issued and fully-paid:</i>		
Ordinary shares of HK\$0.008333 each as at the Latest Practicable Date	631,390,200	5,261,374.54
Rights Shares to be allotted and issued under the Rights Issue	315,695,100	2,630,687.27

- (iii) **Immediately after completion of the Rights Issue (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and none of the Shareholders have taken up all the entitled Rights Shares)**

	Number of Shares	Nominal value of Shares HK\$
<i>Authorised:</i>		
Ordinary shares of HK\$0.008333 each	9,600,000,000	80,000,000
<i>Issued and fully-paid:</i>		
Ordinary shares of HK\$0.008333 each as at the Latest Practicable Date	631,390,200	5,261,374.54

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects, including the rights to dividends, voting and return of capitals 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.

Save for the 105,228,000 Shares issued pursuant to the Placing, no Shares have been issued since 31 March 2023, being the date on which the latest audited financial statements of the Group were made up.

The Company had no outstanding options, warrants, derivatives or other convertible securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

(3) DISCLOSURE OF INTERESTS**(a) Interest of Directors**

As at the Latest Practicable Date, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of 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 and short positions which 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 to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders

As at the Latest Practicable Date, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules of the Stock Exchange:

Name	Capacity	Number of shares held ^(Note 1)	Percentage of the issued share capital of the Company
Forever Star Capital Limited	Beneficial owner	243,989,600 (L)	38.64
Ms. Shen Wei ^(Note 2)	Interest of controlled corporation	243,989,600 (L)	38.64
Mr. Luo Jian	Beneficial owner	52,536,000 (L)	8.32

Notes:

- (1) The letter "L" denotes the person's long position in such securities. The number of Shares are the number of Shares held as at the Latest Practicable Date and the percentage of the issued share capital of the Company is calculated on the basis of 631,390,200 Shares in issue as at the Latest Practicable Date.
- (2) There are 243,989,600 Shares which were registered in the name of Forever Star Capital Limited. Ms. Shen Wei holds 100% interest in Forever Star Capital Limited and is therefore deemed to be interested in the 243,989,600 Shares held by Forever Star Capital Limited.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares, underlying shares and debentures of the Company which would fall 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 under section 336 of the SFO.

(4) DIRECTORS' INTERESTS IN TRANSACTIONS, ASSETS, ARRANGEMENTS OR CONTRACTS**(a) Interests in transactions, arrangements or contracts**

As at the Latest Practicable Date, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Group was a party.

(b) Interests in competing business

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(c) Interests in assets

As at the Latest Practicable Date, none of the Directors had any material direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to any member of the Group since 31 March 2023 (the date to which the latest published audited consolidated financial statements of the Group was made up).

(d) Directors' service contracts

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

(5) DIRECTORS**a. Name and address**

Name	Address
<i>Executive Directors</i>	
Mr. Qu Hongqing	No. 27, Wanshan No. 2 Village, Yangshe Town, Zhangjiagang City, Jiangsu Province, China
Mr. Chan Wing Sum	Flat G, 50/F, Block 11, Tierra Verde, 33 Tsing King Road, Tsing Yi, New Territories, Hong Kong
Ms. Kwok Ling Yee Pearl Elizabeth	Flat F, 23/F, Block 12, Kingswood Villas, Kenswood Court, Tin Shui Wai, New Territories, Hong Kong

Independent non-executive Directors

Mr. Loo Hong Shing Vincent	Flat G, 9/F, Han Kung Mansion, Taikoo Shing, Hong Kong
Mr. Li Huaqiang	A-7A, No. 11, Kexing Road, Science and Technology Park, Nanshan District, Shenzhen City, Guangdong Province, China
Mr. Zhu Shouzhong	Building No. 49, Lane 491, Huan Lin Dong Lu, Pu Dong Xin Qu, Shanghai, China

b. Qualification and position held*Executive Directors*

Mr. Qu Hongqing, aged 53, was appointed as an Executive Director on 1 April 2022. Mr. Qu is a member of the Corporate Governance Committee since 6 May 2022. Mr. Qu has over 15 years of experience in the computer and peripheral products and electronics products industry. Mr. Qu is the supervisor and deputy general manager of Bodatong Technology (Shenzhen) Company Limited (“**Bodatong**”) and a legal representative, an executive director and the general manager of Hangzhou Jing Xin Xin Xi Technology Company Limited (“**Hangzhou Jing Xin**”), both are wholly-owned subsidiaries of the Group. Mr. Qu joined Bodatong and Hangzhou Jing Xin in July 2007 and March 2018 respectively. Mr. Qu was responsible for the operation management of Bodatong and Hangzhou Jing Xin. Mr. Qu is the brother-in-law of Mr. George Lu and Ms. Shen Wei, spouse of Mr. George Lu and the controlling shareholder of the Company.

Mr. Chan Wing Sum, aged 43, has engaged in asset management and financial services in Mainland China, Hong Kong and Singapore for nearly 20 years. Mr. Chan has served in senior management positions in several listed companies, and was a director and the chief executive officer of Mouette Securities Company Limited from April 2022 until his resignation on 31 August 2023. Prior to that, he served as the chief executive officer and chief investment officer of Apollo Capital Management Limited. He was also the chief investment officer of China Investment Development Limited (Stock code: 204), and the chief investment officer and executive director of China Hong Kong Link Asset Management Limited, a wholly-owned subsidiary of Long Well International Holdings Limited (formerly known as Tou Rong Chang Fu Group Limited) (Stock code: 850). He was also the chief investment officer and an executive director of Glory Sun Asset Management Limited, a wholly-owned subsidiary of Renze Harvests International Limited (formerly known as Glory Sun Financial Group Limited) (Stock code: 1282).

Mr. Chan holds dual master’s degrees, including a Master’s Degree in Corporate Governance (with Distinction and was awarded Dean’s List) from Caritas Institute of Higher Education in Hong Kong, a Master’s Degree in Business Administration from the University of Wales in the

United Kingdom, and a Postgraduate Diploma in Marketing from the Edinburgh Napier University. He is a Certified Management Accountant (CMA) accredited by the Australian Institute of Certified Management Accountants.

Ms. Kwok Ling Yee Pearl Elizabeth, aged 55, has over 30 years of experience in accounting and auditing. She was the chief financial officer and company secretary of Renze Harvest International Limited (formerly known as China Goldjoy Group Limited) (Stock code: 1282) from 2010 to 2017 and she was responsible for financial management and implementation of corporate governance practices. She is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Kwok graduated with a bachelor's degree of Business from the Queensland University of Technology in Australia.

Independent non-executive Directors

Mr. Loo Hong Shing Vincent, aged 57, was appointed as an independent non-executive Director in June 2012. Mr. Loo is the chairman of the Remuneration Committee, the Audit Committee and the Nomination Committee and a member of the Corporate Governance Committee of the Company. Mr. Loo has over 35 years of experience in the accounting, auditing, corporate finance and business advisory areas. Before joining the Group, Mr. Loo has over 17 years of auditing experience with PricewaterhouseCoopers in Hong Kong. Mr. Loo was the vice president, chief financial officer and company secretary of Cosmo Lady (China) Holdings Company Limited (stock code: 2298) from 2016 to 2022, a company listed on the Main Board of the Stock Exchange. Before joining Cosmo Lady (China) Holdings Company Limited, Mr. Loo was an executive director, chief financial officer and company secretary of Hengan International Group Company Limited (stock code: 1044), a company listed on the Main Board of the Stock Exchange. Mr. Loo is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.

Mr. Zhu Shouzhong, aged 66, was appointed as an independent non-executive Director of the Company on 2 October 2018. Mr. Zhu is a member of the Audit Committee of the Company. Mr. Zhu has over 30 years of substantial operation and management experience in the insurance industry. In 1978, Mr. Zhu joined the Lanxi Branch of the People's Bank of China. Mr. Zhu joined The People's Insurance Company of China ("PICC") in 1984. From 1984 to 2003, Mr. Zhu successively served as the deputy manager and manager of PICC Lanxi Branch, the deputy manager and manager of the Property and Casualty Division of PICC Zhejiang Provincial Branch, the general manager and party committee secretary of PICC Jiaying Branch, and the deputy general manager and party committee member of PICC Zhejiang Provincial Branch. From 2004 to 2010, Mr. Zhu successively served as the general manager and party committee secretary in Zhejiang Provincial Branch and Shanghai Branch of PICC Property and Casualty Company Limited (stock code: 2328), a company listed on the Main Board of the Stock Exchange, and he was also the vice chairman of the Shanghai Insurance Association. In 2010, Mr. Zhu joined China Export & Insurance Corporation, Shanghai Branch as the general manager and party committee secretary and he retired in 2017. Mr. Zhu was awarded "Shanghai Labour Day Medal for Finance Industry" in 2016 by Shanghai Committee of

Chinese Financial Workers' Union. Mr. Zhu is a master postgraduate and a senior economist. He graduated from Zhejiang University majoring in finance and obtained a master's degree in business administration from the Southern Cross University of Australia.

Mr. Li Huaqiang, aged 65, was appointed as an independent non-executive Director of the Company on 1 November 2018. Mr. Li is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Li has served as a non-executive director of China Everbright Bank Company Limited (stock code: 6818), a company listed on the Main Board of the Stock Exchange, between September 2016 to June 2018. Mr. Li worked at Central Huijin Investment Limited ("CHI"), a state-owned investment company established in accordance with the PRC Company Law, and served as director of China Everbright Group Limited. Mr. Li served successively as an engineer of Zhuzhou Smelter Factory of China National Nonferrous Metals Industry Corporation, deputy secretary of the Communist Youth League Committee of the Main Plant, deputy director of the Second Plant and general manager of the joint venture in Shenzhen; assistant general manager and department director of Shenzhen Science and Industry Park Corporation Joint Venture Shenzhen (Moscow); deputy general manager of the Investment Banking Department of Guosen Securities Company Limited; chairman of the board of directors, secretary of CPC Committee and president of Founder Securities Limited; vice president of Huaxi Securities Company Limited and president and deputy CPC committee secretary of China Lion Securities Company Limited; designated director of CHI (serving at China Investment Securities Company Limited); vice chairman of the board of directors of CSC Financial Co. Ltd.; chief head of the First Division of Equity Management of Securities Institutions of Securities Institution Management Department/Insurance Institution Management Department of CHI. Mr. Li holds a Master's degree of EMBA from Peking University. He also obtained an external degree of DBA in Finance from California American University.

(6) SENIOR MANAGEMENT

Mr. Wong Kwok Ming, aged 47, is the Chief Financial Officer of the Group. Mr. Wong is responsible for the overall financial management of the Group. Mr. Wong was appointed as the Chief Financial Officer and the Company Secretary of the Company since 2016. Mr. Wong has over 20 years of experience in the areas of auditing, accounting, taxation, capital markets, business advisory and corporate finance. Mr. Wong has worked at PricewaterhouseCoopers Hong Kong for over 10 years in audit and assurance department covering various industry sectors and he worked at a well-established and sizable manufacturing company as the chief financial officer after he left PricewaterhouseCoopers. Mr. Wong was also an executive director of Qianhai Health Holdings Company Limited (stock code: 911), a company listed on the Main Board of the Stock Exchange, from 2016 to 2019. Mr. Wong possesses a Master Degree in Accounting from Curtin University of Technology. Mr. Wong is a Practicing Certified Public Accountant in Hong Kong. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of The Society of Chinese Accountants & Auditors.

(7) MATERIAL CONTRACTS

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

- (a) the conditional placing agreement entered into between the Company and Huabang Securities Limited, being an indirect wholly-owned subsidiary of the Company, dated 24 August 2022 in relation to the placing of 87,684,000 Shares by the Company;
- (b) the share transfer agreement dated 3 October 2022 entered into between Excel Goal Limited 連創有限公司, an indirect wholly-owned subsidiary of the Company, as purchaser and Mr. Lin Ruiping as vendor in relation to the acquisition of the entire issued share capital in Shag Mei International Food Limited 正味國際食品有限公司 and Legend International Food Limited 嶺進國際食品有限公司 at a consideration of HK\$25 million;
- (c) the placing agreement dated 5 September 2023 entered into between the Company and the Placing Agent in relation to the Placing; and
- (d) the Placing Agreement in connection with the Rights Issue, the terms of which are set out in the “Letter from the Board” in this prospectus.

(8) LITIGATION

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

(9) EXPERT’S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given an opinion or advice contained in this prospectus:

Name	Qualification
Baker Tilly Hong Kong Limited	Certified Public Accountants

As at the Latest Practicable Date, Baker Tilly Hong Kong Limited was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023, being the date to which the latest published audited financial statements of the Group were made up.

Baker Tilly Hong Kong Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or references to its name in the form and context in which they are included.

(10) GENERAL

- (a) The company secretary of the Company is Mr. Wong Kwok Ming. He is a Practicing Certified Public Accountant in Hong Kong, a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is 33/F, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.
- (d) The Cayman Islands principal share registrar and transfer office of the Company is Maples Fund Services (Cayman) Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) In the event of inconsistency, the English text of this prospectus and the PAL shall prevail over the Chinese text.

(11) EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, printing, registration, translation, legal, accounting and documentation charges are estimated to be approximately HK\$1,840,000, which are payable by the Company.

(12) CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office of the Company	PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Company Secretary	Mr. Wong Kwok Ming
Authorised representatives	Mr. Wong Kwok Ming 33/F, Enterprise Square Three 39 Wang Chiu Road Kowloon Bay Kowloon Hong Kong

	Mr. Qu Hongqing 33/F, Enterprise Square Three 39 Wang Chiu Road Kowloon Bay Kowloon Hong Kong
Auditor	Baker Tilly Hong Kong Limited Level 8, K11 ATELIER King's Road 728 King's Road Quarry Bay Hong Kong
Principal share registrar and transfer office	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman, KY1-1102 Cayman Islands
Branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	Chong Hing Bank Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong
Legal adviser to the Company	Simmons & Simmons 30/F One Taikoo Place 979 King's Road Hong Kong
Placing Agent	Mouette Securities Company Limited Room 4024-33, 40/F Sun Hung Kai Centre 30 Harbour Road Hong Kong

(13) DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of this prospectus, together with copies of the Provisional Allotment Letter(s) and the written consent referred to in the section headed “(9) Expert’s Qualification and Consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

(14) LEGAL EFFECT

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

(15) DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.huabangtechnology.com) for a period of 14 days from the date of this prospectus:

- (a) the Second Amended and Restated Memorandum and Articles of Association of the Company;
- (b) the annual reports of the Company for each of the three years ended 31 March 2021, 2022 and 2023;
- (c) the interim results announcement of the Company for the six months ended 30 September 2023;
- (d) the letter from the Board to the Shareholders, the text of which is set out on pages 10 to 32 of this prospectus;
- (e) the letter from Baker Tilly Hong Kong Limited dated 18 December 2023 in respect of the unaudited pro forma financial information on the Group, the text of which is set out in Appendix II to this prospectus;
- (f) the material contracts referred to in the section headed “(7) Material Contracts” in this appendix;
- (g) the written consent referred to in the section headed “(9) Expert’s Qualification and Consent” in this appendix; and
- (h) the Prospectus Documents.