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華夏文化科技集團
CA CULTURAL TECHNOLOGY GROUP

CA CULTURAL TECHNOLOGY GROUP LIMITED

華夏文化科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01566)

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARES FOR EVERY
TWO (2) EXISTING SHARES HELD ON THE RECORD DATE
(II) CLOSURE OF REGISTER OF MEMBERS
AND
(III) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS
UNDER THE SHARE OPTION SCHEME**

Underwriter of the Rights Issue



Raffaello Securities (HK) Limited

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of (i) approximately HK\$84.52 million before expenses by way of a rights issue of 591,021,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); and (ii) approximately HK\$87.58 million by way of the issue of 612,476,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options), at a price of HK\$0.143 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The Rights Issue is fully underwritten by the Underwriter.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be (i) approximately HK\$79.32 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$82.38 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options), and such net proceeds are intended to be applied in the following manner:

- (i) approximately 75% (being approximately HK\$59.49 million (or HK\$61.79 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)) for settlement of the Group's indebtedness;
- (ii) approximately 10% (being approximately HK\$7.93 million (or HK\$8.24 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)) for settlement of the outstanding fees of professional parties; and
- (iii) approximately 15% (being approximately HK\$11.90 million (or HK\$12.36 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)) as general working capital of the Group, including but not limited to its daily operational expenses for rent and its staff, and for research and development expenses of the Group.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and be a Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, all relevant transfer documents for transfer of existing Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:30 p.m. on Wednesday, 4 May 2022.

The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will, on the Despatch Date, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Excluded Shareholders for information purposes only, but will not send any PAL or EAF to them.

IRREVOCABLE UNDERTAKING

Pursuant to the Deeds of Irrevocable Undertaking, each of the Fortune Trust Concert Party (being Bright Rise, Fortress Strength, Bonville Glory, East Jumbo, Dragon Year, Mr. Ikeda and Mr. Ting have provided irrevocable undertaking to the Company and the Underwriter, pursuant to which, each of the Fortune Trust Concert Party has irrevocably and unconditionally undertaken, among other things:

- (i) to subscribe for a total number of 145,376,000 Rights Shares (or 146,984,500 Rights Shares, assuming the full exercise of the Share Options owned by Mr. Ting, as the case may be) to be provisionally allotted to the Fortune Trust Concert Parties (in accordance with the shareholding of each of the Fortune Trust Concert Party);
- (ii) not to apply, subscribe for or take up any excess shares in the Rights Issue, apart from those allotted in accordance with the shareholding of each of the Fortune Trust Concert Party as at the date of this announcement; and
- (iii) not to sell, dispose of or transfer, or agree to sell, dispose of or transfer any of the Shares held by them or any one of them from the date of the Deed of Irrevocable Undertaking to the date of completion of the Rights Issue.

UNDERWRITING AGREEMENT

On 12 April 2022 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter. Pursuant to the Underwriting Agreement, the Underwriter has agreed to subscribe for, or procure the subscription for no less than 445,645,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), and up to 465,491,500 Rights Shares, being the maximum number of Rights Shares deducting the Undertaken Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares that are allotted and issued pursuant to the full exercise of outstanding Share Options), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions contained therein.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 5 May 2022 to Thursday, 12 May 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

As at the date of this announcement, there are 42,910,000 outstanding Share Options granted by the Company, which are exercisable into 42,910,000 Shares. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such 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).

Save for the foregoing, as at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement, and the Rights Issue will not increase the issued share capital of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders at a general meeting pursuant to Rule 7.19A of the Listing Rules.

Rule A.3(a)(i) of the Model Code provides that a director must not deal in any securities of the listed issuer on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results, unless the circumstances are exceptional.

In light of (i) the implications under the Deeds of Irrevocable Undertaking, which would be executed by the Fortune Trust Concert Parties, including amongst others, Bright Rise (wholly-owned by Mr. Chong, an executive Director), Fortress Strength (wholly-owned by Ms. Lee Sui Fong Fiona, spouse of Mr. Chong), Bonville Glory (wholly-owned by Mr. Ting, an executive Director) and Mr. Ting; and (ii) the blackout period applicable to the Directors (and their respective spouses pursuant to Rule A.6 of the Model Code) in relation to the publication of the Annual Results will commence by the latest on 29 April 2022, which will last till the date of publication of the Annual Results, the signatories to the Deeds of Irrevocable Undertaking have undertaken specifically not to apply, subscribe for or take up any excess shares in the Rights Issue, apart from those allotted in accordance with the shareholding of each of the Fortune Trust Concert Party.

GENERAL

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Friday, 13 May 2022. The Company will not extend the Rights Issue to the Excluded Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Excluded Shareholders for information purposes only but will not send any PAL or EAF to them.

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

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed “The Underwriting Agreement – Conditions of the Rights Issue and the Underwriting Agreement” and “The Underwriting Agreement – Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 3 May 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 17 May 2022 to Tuesday, 24 May 2022 (both days inclusive).

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any 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 (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of (i) approximately HK\$84.52 million before expenses by way of a rights issue of 591,021,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); and (ii) approximately HK\$87.58 million by way of the issue of 612,476,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options), at a price of HK\$0.143 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The Rights Issue is fully underwritten by the Underwriter.

The details of the Rights Issue are set out as follows:

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\$0.143 per Rights Share
Number of Shares in issue as at the date of this announcement	:	1,182,042,000 Shares
Number of Rights Shares	:	(a) No less than 591,021,000 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date); and (b) No more than 612,476,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)
Number of Shares in issue immediately upon completion of the Rights Issue	:	(a) No less than 1,773,063,000 Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date); and (b) No more than 1,837,428,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of the outstanding Share Options and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

- Amount to be raised by the Rights Issue before expenses : Not less than approximately HK\$84.52 million and no more than approximately HK\$87.58 million, before deduction of the costs and expenses which the Company will incur in the Rights Issue
- Right of excess applications : Qualifying Shareholders (except the Fortune Trust Concert Parties pursuant to the provisions of the Deeds of Irrevocable Undertaking) may apply for the Rights Shares in excess of their provisional allotment
- Underwriter : Raffaello Securities (HK) Ltd.

As at the date of this announcement, there are 42,910,000 outstanding Share Options granted by the Company, which are exercisable into 42,910,000 Shares pursuant to the terms and conditions of the Share Option Scheme. Save for the foregoing, as at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the number of 591,021,000 Rights Shares to be issued and allotted pursuant to the Rights Issue (i) represent approximately 50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming no change in the number of issued Shares on or before the Record Date other than the full exercise of outstanding Share Options and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 612,476,000 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, on the basis of the full exercise of outstanding Share Options.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, 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 within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

Subscription Price

The Subscription Price is HK\$0.143 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or applications for excess Rights Shares, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- i. a discount of approximately 42.11% to the closing price of HK\$0.247 per Share as quoted on the Stock Exchange on the Last Trading Day;
- ii. a discount of approximately 29.90% to the average closing price of approximately HK\$0.204 per Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- iii. a discount of approximately 16.37% to the average closing price of approximately HK\$0.171 per Share for the last ten consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- iv. a discount of approximately 32.50% to the theoretical ex-rights price of approximately HK\$0.212 per Share based on the closing price of HK\$0.247 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- v. a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 14.0%, represented by the theoretical diluted price of approximately HK\$0.212 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.247 per Share, taking into account the closing price on the Last Trading Day of HK\$0.247 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of approximately HK\$0.204 per Share.

The Subscription Price and the subscription ratio (i.e. one (1) Rights Share for every two (2) existing Shares held) was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the amount of fund raising targeted by the Company under the Rights Issue (use of proceeds raised thereunder is elaborated in the section headed "**Reasons for the Rights Issue and Use of Proceeds**"), the market price of the Shares under the prevailing market conditions and the financial position of the Group.

The Directors consider that setting the Subscription Price at a discount to the current market price of the Shares would increase the attractiveness of the Rights Issue, accordingly encourage the Shareholders to participate in the Rights Issue, and in turn allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group. In view of the reasons for the Rights Issue stated in the section headed "**Reasons for the Rights Issue and Use of Proceeds**" below, the Directors consider the terms of the Rights Issue, including that of the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.134 (assuming no change in the number of Shares in issue on or before the Record Date) and approximately HK\$0.135 (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options).

IRREVOCABLE UNDERTAKING

As at the date of this announcement, the Fortune Trust Concert Parties in aggregate held 290,752,000 Shares, representing approximately 24.60% of the entire issued share capital of the Company (assuming no change in the number of Shares in issue on or before the Record Date), or 293,969,000 Shares, representing approximately 24.00% of the entire issued share capital of the Company (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options, including that of Mr. Ting's) detailed as follows:

- (i) Bright Rise, which beneficially owns 177,056,000 Shares;
- (ii) Fortress Strength, which beneficially owns 26,187,000 Shares;
- (iii) Bonville Glory, which beneficially owns 12,900,000 Shares;
- (iv) East Jumbo, which beneficially owns 12,329,000 Shares;
- (v) Dragon Year, which beneficially owns 50,280,000 Shares;
- (vi) Mr. Ikeda, who personally owns 12,000,000 Shares; and
- (vii) Mr. Ting, who personally owns 3,217,000 outstanding Share Options (exercisable into 3,217,000 Shares).

Pursuant to the Deeds of Irrevocable Undertaking, each of the Fortune Trust Concert Party (being Bright Rise, Fortress Strength, Bonville Glory, East Jumbo, Dragon Year, Mr. Ikeda and Mr. Ting have provided irrevocable undertaking to the Company and the Underwriter, pursuant to which, each of the Fortune Trust Concert Party has irrevocably and unconditionally undertaken, among other things:

- (i) to subscribe for a total number of 145,376,000 Rights Shares (or 146,984,500 Rights Shares, assuming the full exercise of the Share Options owned by Mr. Ting, as the case may be) to be provisionally allotted to the Fortune Trust Concert Parties (in accordance with the shareholding of each of the Fortune Trust Concert Party);
- (ii) not to apply, subscribe for or take up any excess shares in the Rights Issue, apart from those allotted in accordance with the shareholding of each of the Fortune Trust Concert Party as at the date of this announcement; and

- (iii) not to sell, dispose of or transfer, or agree to sell, dispose of or transfer any of the Shares held by them or any one of them from the date of the Deed of Irrevocable Undertaking to the date of completion of the Rights Issue.

Qualifying Shareholders and Excluded Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will not extend the Rights Issue to the Excluded Shareholders. The Company will, on the Despatch Date, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Excluded Shareholders for information purposes only, but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, all relevant transfer documents for transfer of existing Shares (together with the relevant share certificates) must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 4 May 2022. The last day for dealing in the Shares on a cum-rights basis is Friday, 29 April 2022.

Holders of Share Options who wish to participate in the Rights Issue should exercise their Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer 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.

Closure of register of members

The register of members of the Company will be closed from Thursday, 5 May 2022 to Thursday, 12 May 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before the Latest Time for Acceptance.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be despatched in connection with the Rights Issue will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account of such offer being unlawful or impracticable due to either the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders. Based on the latest Shareholders information available from the Registrar, the Company had no Overseas Shareholders as at the date of this announcement.

The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Excluded Shareholders for information purposes only but will not send any PAL or EAF to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be distributed by the Company to the Excluded Shareholders in Hong Kong dollars, at their own risk, pro rata to their respective entitlements provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Excluded Shareholders would otherwise have been entitled, together with any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares, will be available for excess application by the Qualifying Shareholders under the EAF(s). Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, those Rights Shares will be fully underwritten by the Underwriter.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2) (a) of the Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Status of Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Certificates for the Rights Shares and Refund Cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or about Tuesday, 7 June 2022 by ordinary post to the allottees, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or does not become unconditional, refund cheques will be posted on or before Tuesday, 7 June 2022 by ordinary post to the respective Shareholders, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or about Tuesday, 7 June 2022 by ordinary post to the applicants, at their own risk, to their registered addresses.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAF(s). Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, those Rights Shares created from the aggregation of fraction of the Rights Shares will be fully underwritten by the Underwriter. No odd lot matching services will be provided.

Application for excess Rights Shares

Subject always to the scaling-down mechanism as described in the paragraph headed “**Scale-down of subscriptions to avoid triggering the MGO Obligation and Non-Compliance with Public Float Requirement**” below, the Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAFs, and the Excess Rights Shares represent:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares which are left unsold; and
- (iv) the Scaled-down PAL Shares (if any) and the Scaled-down EAF Shares (if any).

Subject to the requirements of Rule 7.21(3)(b) of the Listing Rules, the Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis, according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of excess Rights Shares applied for but no reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots.

Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, the Excess Rights Shares will be fully underwritten by the Underwriter.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Friday, 27 May 2022.

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

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

For Shareholders whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for completion of the relevant registration not later than 4:30 p.m. on Wednesday, 4 May 2022.

Scale-down of subscriptions to avoid triggering the MGO Obligation and Non-Compliance with Public Float Requirement

To avoid the unwitting triggering of any MGO Obligation and/or the Company's non-compliance with the Public Float Requirement, all applications for the Rights Shares by the Qualifying Shareholders whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, are subject to the scaling-down mechanism as determined by the Company and will be made on the basis that the applications are to be scaled-down by the Company (further details of which are set out below) to such level which does not result in (a) any MGO Obligation being triggered by those affected applicant(s) and/or group of affected applicant(s) (together with parties respectively acting in concert with him/her/it/them); and/or (b) the Company's non-compliance with the Public Float Requirement.

Any subscription monies for the Scaled-down PAL Shares or the Scaled-down EAF Shares will be refunded to the affected applicants, and the Scaled-down PAL Shares and the Scaled-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s). Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, the Scaled-down PAL Shares and the Scaled-down EAF Shares not being applied (whether validly or otherwise) and/or fully paid for under the EAFs will be fully underwritten by the Underwriter.

Such scaling-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); (b) where the scale-down is necessitated by the exceeding of shareholding by a group of Qualifying Shareholders acting in concert (the “**Affected Shareholders Group(s)**”) rather than an individual Qualifying Shareholder, the allocations of EAF(s) and PAL(s) to members of the Affected Shareholders Group should be made by reference to the number of Shares held by the affected applicants on the Record Date; and (c) the allocations of EAF(s) and PAL(s) to different Affected Shareholders Groups and/or affected individual Qualifying Shareholders should be made by reference to the number of Shares held by the affected applicant(s) and/or affected group(s) of applicant(s) on the Record Date.

Taxation

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

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 their nil-paid and fully-paid forms. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 1,000 Shares in one board lot. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

THE UNDERWRITING AGREEMENT

The Board is pleased to announce that on 12 April 2022 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter. Further details of the Underwriting Agreement are set out below:

Date	:	12 April 2022 (after trading hours of the Stock Exchange)
Underwriter	:	Raffaello Securities (HK) Ltd., a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes securities brokerage and underwriting and placement of securities. As at the date of this announcement, the Underwriter does not hold any Shares. The Underwriter and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Independent Third Parties. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.
Total number of Rights Shares being underwritten by the Underwriter	:	Subject to the terms and conditions of the Underwriting Agreement, the Underwriter has agreed to subscribe for, or procure the subscription for no less than 445,645,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), and up to 465,491,500 Rights Shares, being the maximum number of Rights Shares deducting the Undertaken Shares, assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares that are allotted and issued pursuant to the full exercise of outstanding Share Options
Commission	:	7.07% of the aggregate subscription amount in respect of the Underwritten Shares in the amount ranging from approximately HK\$4.506 million to approximately HK\$4.706 million

Pursuant to the Underwriting Agreement, the Underwriter undertakes and shall ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be an Independent Third Party; (ii) none of the subscribers of the Underwritten Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue; (iii) none of the subscribers, together with any party(ies) acting in concert with it/them, will hold 30% (or such percentage which will trigger any MGO Obligation under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue; and (iv) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the market practice. The Directors consider that the terms of the Underwriting Agreement including the commission rate, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) (if any) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under the Underwriting Agreement.

Subject to the fulfilment or waiver (where applicable) of all the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription for the Rights Shares pursuant to the terms and conditions of Underwriting Agreement.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (a) the passing of all necessary resolution(s) by the Board of Directors of the Company to approve the Rights Issue;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the directors of the Company (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance, and the Companies (WUMP) Ordinance not later than the Despatch Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Despatch Date;

- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of dealings in the nil-paid Rights Shares (or such other date as may be agreed between the Company and the Underwriter in writing), and such listing and permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (e) each condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the listing approval) having been satisfied not later than the Business Day prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (f) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (g) compliance with and performance by the Company of all undertakings and obligations under the terms of the Underwriting Agreement by the times specified;
- (h) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time for Termination; and
- (i) all relevant approvals having been obtained from all relevant governmental authorities (where applicable) as the case may require in connection with the Rights Issue by the relevant time that such consent and approval is required and such approvals not being withdrawn or revoked prior to the Latest Time for Termination.

The conditions as set out in (a), (b), (c), (d), (e), (f), (h) and (i) (where applicable) are incapable of being waived. In the event of the above conditions not being fulfilled or waived on or before the respective dates specified therefor (or if no time or date is specified, no later than Monday, 30 May 2022, or such later date or dates as may be agreed between the Company and the Underwriter in writing), the Underwriting Agreement may be terminated by the Underwriter, under which all obligations of the Underwriter and the Company thereunder shall cease and determine and no party shall have any claim against any other party in respect of any costs, damages, compensation or otherwise, save for any antecedent breaches, and the Company shall not be liable to pay any underwriting commission.

Termination of the Underwriting Agreement

If at any time on or before the Latest Time for Termination:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties or undertakings in this Agreement being untrue, inaccurate, misleading or breached, or there is any matter which would reasonably be expected to give rise to a material breach or claim, and in each case the same is (in the absolute opinion of the Underwriter) material in the context of the Rights Issue; or
- (b) any of the following events take place:
 - (i) any introduction of any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, any local, national or international event or change of a political, financial, economic or other nature affecting local securities markets, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in Hong Kong and Cayman Islands;
 - (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs;
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, terrorism, strike or lock-out occurred after the signing of this Agreement;
 - (v) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ninety consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue or for such events as required under the Listing Rules not caused by any default or breach of the Listing Rules by the Company;

- (vi) the Company's application to the Listing Committee for the permission for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange;
- (vii) the occurrence of any Specified Event which is incapable of being waived by the Underwriter; or
- (viii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which is or are, in the sole and absolute opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then the Underwriter may, by notice in writing given to the Company on or before the Latest Time for Termination, terminate this Agreement and the Rights Issue shall not proceed.

Upon termination of the Underwriting Agreement by the Underwriter, all obligations of the Underwriter and the Company hereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with this Agreement and the Company shall not be liable to pay any underwriting commission. Termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such termination. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Expected Timetable for the Rights Issue

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled or waived (where applicable). The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

Publication of Rights Issue announcement	Tuesday, 12 April 2022
Last day of dealings in Shares on a cum-rights basis	Friday, 29 April 2022
First day of dealings in Shares on an ex-rights basis	Tuesday, 3 May 2022
Latest time for lodging transfer of Shares and related documents in order to qualify for the Rights Issue	4:30 p.m. on Wednesday, 4 May 2022
Register of members closes	Thursday, 5 May 2022 to Thursday, 12 May 2022 (both days inclusive)
Record date for Rights Issue	Thursday, 12 May 2022
Register of Members re-opens	Friday, 13 May 2022
Despatch of the Prospectus Documents	Friday, 13 May 2022
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 17 May 2022
Latest time for splitting of PALs	4:30 p.m. on Thursday, 19 May 2022
Last day of dealings in nil-paid Rights Shares	Tuesday, 24 May 2022
Latest time for payment for and acceptance of Rights Shares and the application and payment for the excess Rights Shares	4:00 p.m. on Friday, 27 May 2022
Latest time for termination of underwriting agreement	4:00 p.m. on Monday, 30 May 2022
Rights Issue expected to become unconditional after	5:00 p.m. on Monday, 30 May 2022
Announcement of the Rights Issue results	Monday, 6 June 2022

Despatch of certificates for fully-paid
Rights Shares and refund cheques for
wholly and partially unsuccessful excess applications Tuesday, 7 June 2022

First day of dealings in fully-paid Rights Shares 9:00 a.m. on Wednesday, 8 June 2022

Effect of bad weather and/or extreme conditions on the latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares

The latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, “extreme conditions” caused by super typhoon as announced by the Government of Hong Kong, or a “black” rainstorm warning:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 27 May 2022. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 27 May 2022. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Friday, 27 May 2022, the dates mentioned in the paragraph headed “Expected Timetable for the Rights Issue” above may be affected. The Company will notify Shareholders by way of a separate announcement of any change to the expected timetable as soon as practicable.

EFFECTS OF THE RIGHTS ISSUE ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Fortune Trust Concert Parties pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares:

- (a) assuming no outstanding Share Options being exercised and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

Shareholders	As at the date of this announcement		After completion of the Rights Issue – assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Fortune Trust Concert Parties pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares (Notes 3, 4)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Newgate (PTC) Limited as trustee of The Fortune Trust created by Mr. CHONG Heung Chung Jason, with Mr. CHONG Heung Chung Jason, Ms. LEE Sui Fong Fiona and their family members being the beneficiaries of The Fortune Trust (Note 1)	290,752,000	24.60%	436,128,000	24.60%	436,128,000	24.60%
Bright Rise Enterprises Limited (Note 1a)	177,056,000	14.98%	265,584,000	14.98%	265,584,000	14.98%
Fortress Strength Limited (Note 1b)	26,187,000	2.22%	39,280,500	2.22%	39,280,500	2.22%
Dragon Year Group Limited (Note 1c)	50,280,000	4.25%	75,420,000	4.25%	75,420,000	4.25%
Mr. Shinichiro IKEDA (Note 1c)	12,000,000	1.02%	18,000,000	1.02%	18,000,000	1.02%
Bonville Glory Limited (Note 1d)	12,900,000	1.09%	19,350,000	1.09%	19,350,000	1.09%
East Jumbo Development Limited (Note 1e)	12,329,000	1.04%	18,493,500	1.04%	18,493,500	1.04%
The Underwriter (Note 2)	–	–	–	–	445,645,000	25.13%
Other public Shareholders	891,290,000	75.40%	1,336,935,000	75.40%	891,290,000	50.27%
Total:	1,182,042,000	100.00%	1,773,063,000	100.00%	1,773,063,000	100.00%

Notes:

- (1) Pursuant to the concert party agreement, the concert parties have agreed with certain arrangements pertaining to their shareholdings. Further information on the terms and conditions of the concert party agreement is set forth in the section headed “Controlling Shareholders and Substantial Shareholders – Summary of Concert Party Agreement” in the prospectus of the Company. Newgate (PTC) Limited is the sole shareholder of Bright Rise Enterprises Limited and it holds all the shares of Bright Rise Enterprises Limited in its capacity as the trustee of the Fortune Trust created by Mr. CHONG Heung Chung Jason in the Cayman Islands. The beneficiaries of the Fortune Trust currently include Mr. CHONG Heung Chung Jason, Ms. LEE Sui Fong Fiona and their family members. For the Fortune Trust, in terms of disclosure of interest, 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, it holds in total 290,752,000 Shares in the Company. Mr. CHONG Heung Chung Jason is the founder of the Fortune Trust, a discretionary trust who can influence how the trustee exercises his discretion. The shareholding above comprised the following concert parties and their respective beneficial owners as follows:
 - (a) Mr. CHONG Heung Chung Jason is the sole beneficial owner of all issued shares of Bright Rise Enterprises Limited, which is the registered and beneficial owner of 177,056,000 Shares. Mr. CHONG Heung Chung Jason is the spouse of Ms. LEE Sui Fong Fiona and he is deemed to be interested in the Shares interested by Ms. LEE Sui Fong Fiona under the SFO;
 - (b) Ms. LEE Sui Fong Fiona is the sole beneficial owner of all issued shares of Fortress Strength Limited which is the registered and beneficial owner of 26,187,000 Shares. Ms. LEE Sui Fong Fiona is the spouse of Mr. CHONG Heung Chung Jason and she is deemed to be interested in the Shares interested by Mr. CHONG Heung Chung Jason under the SFO;
 - (c) Mr. Shinichiro IKEDA is the sole beneficial owner of all issued shares of Dragon Year Group Limited which is the beneficial owner of 50,280,000 Shares. Furthermore, Mr. Shinichiro IKEDA personally holds 12,000,000 Shares in the Company;
 - (d) Mr. TING Ka Fai Jeffrey is the sole beneficial owner of all issued shares of Bonville Glory Limited which is the registered and beneficial owner of 12,900,000 Shares; and
 - (e) Ms. OR Den Fung Bonnie is the sole beneficial owner of all issued shares of East Jumbo Development Limited which is the registered and beneficial owner of 12,329,000 Shares.
- (2) The Underwriter and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.
- (3) This scenario is for illustrative purpose only. Pursuant to the Underwriting Agreement, the Underwriter undertakes and shall ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be an Independent Third Party; (ii) none of the subscribers of the Underwritten Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue; (iii) none of the subscribers, together with any party(ies) acting in concert with it/them, will hold 30% (or such percentage which will trigger any MGO Obligation under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue; and (iv) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.
- (4) The Underwriter will underwrite on a fully underwritten basis, in any event and notwithstanding any provisions herein, it will not underwrite to the extent, together with any party acting in concert (within the meaning of the Takeovers Code) or its associates, hold thirty per cent (30.0%) or more of the voting rights of the Company immediately upon completion of the Rights Issue.

- (b) assuming all the outstanding Share Options being exercised on or before the Record Date and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

Shareholders	As at the date of this announcement		After completion of the Rights Issue – assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Fortune Trust Concert Parties pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares (Notes 3, 4)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Newgate (PTC) Limited as trustee of The Fortune Trust created by Mr. CHONG Heung Chung Jason, with Mr. CHONG Heung Chung Jason, Ms. LEE Sui Fong Fiona and their family members being the beneficiaries of The Fortune Trust (Note 1)	293,969,000	24.00%	440,953,500	24.00%	440,953,500	24.00%
Bright Rise Enterprises Limited (Note 1a)	177,056,000	14.45%	265,584,000	14.45%	265,584,000	14.45%
Fortress Strength Limited (Note 1b)	26,187,000	2.14%	39,280,500	2.14%	39,280,500	2.14%
Dragon Year Group Limited (Note 1c)	50,280,000	4.11%	75,420,000	4.11%	75,420,000	4.11%
Mr. Shinichiro IKEDA (Note 1c)	12,000,000	0.98%	18,000,000	0.98%	18,000,000	0.98%
Bonville Glory Limited (Note 1d)	12,900,000	1.05%	19,350,000	1.05%	19,350,000	1.05%
Mr. TING Ka Fai Jeffrey (Note 1d)	3,217,000	0.26%	4,825,500	0.26%	4,825,500	0.26%
East Jumbo Development Limited (Note 1e)	12,329,000	1.01%	18,493,500	1.01%	18,493,500	1.01%
The Underwriter (Note 2)	–	–	–	–	465,491,500	25.33%
Other public Shareholders	930,983,000	76.00%	1,396,474,500	76.00%	930,983,000	50.67%
Total:	<u>1,224,952,000</u>	<u>100.00%</u>	<u>1,837,428,000</u>	<u>100.00%</u>	<u>1,837,428,000</u>	<u>100.00%</u>

Notes:

- (1) Pursuant to the concert party agreement, the concert parties have agreed with certain arrangements pertaining to their shareholdings. Further information on the terms and conditions of the concert party agreement is set forth in the section headed “Controlling Shareholders and Substantial Shareholders – Summary of Concert Party Agreement” in the prospectus of the Company. Newgate (PTC) Limited is the sole shareholder of Bright Rise Enterprises Limited and it holds all the shares of Bright Rise Enterprises Limited in its capacity as the trustee of the Fortune Trust created by Mr. CHONG Heung Chung Jason in the Cayman Islands. The beneficiaries of the Fortune Trust currently include Mr. CHONG Heung Chung Jason, Ms. LEE Sui Fong Fiona and their family members. For the Fortune Trust, in terms of disclosure of interest, 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, it holds in total 293,969,000 Shares in the Company. Mr. CHONG Heung Chung Jason is the founder of the Fortune Trust, a discretionary trust who can influence how the trustee exercises his discretion. The shareholding above comprised the following concert parties and their respective beneficial owners as follows:
 - (a) Mr. CHONG Heung Chung Jason is the sole beneficial owner of all issued shares of Bright Rise Enterprises Limited, which is the registered and beneficial owner of 177,056,000 Shares. Mr. CHONG Heung Chung Jason is the spouse of Ms. LEE Sui Fong Fiona and he is deemed to be interested in the Shares interested by Ms. LEE Sui Fong Fiona under the SFO;
 - (b) Ms. LEE Sui Fong Fiona is the sole beneficial owner of all issued shares of Fortress Strength Limited, which is the registered and beneficial owner of 26,187,000 Shares. Ms. LEE Sui Fong Fiona is the spouse of Mr. CHONG Heung Chung Jason and she is deemed to be interested in our Shares interested by Mr. CHONG Heung Chung Jason under the SFO;
 - (c) Mr. Shinichiro IKEDA is the sole beneficial owner of all issued shares of Dragon Year Group Limited, which is the beneficial owner of 50,280,000 Shares. Furthermore, Mr. Shinichiro IKEDA personally holds 12,000,000 Shares in the Company;
 - (d) Mr. TING Ka Fai Jeffrey is the sole beneficial owner of all issued shares of Bonville Glory Limited, which is the registered and beneficial owner of 12,900,000 Shares. Furthermore, Mr. TING Ka Fai Jeffrey personally holds 3,217,000 Shares in the Company; and
 - (e) Ms. OR Den Fung Bonnie is the sole beneficial owner of all issued shares of East Jumbo Development Limited, which is the registered and beneficial owner of 12,329,000 Shares.
- (2) The Underwriter and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.
- (3) This scenario is for illustrative purpose only. Pursuant to the Underwriting Agreement, the Underwriter undertakes and shall ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be an Independent Third Party; (ii) none of the subscribers of the Underwritten Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue; (iii) none of the subscribers, together with any party(ies) acting in concert with it/them, will hold 30% (or such percentage which will trigger any MGO Obligation under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue; and (iv) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.
- (4) The Underwriter will underwrite on a fully underwritten basis, in any event and notwithstanding any provisions herein, it will not underwrite to the extent, together with any party acting in concert (within the meaning of the Takeovers Code) or its associates, hold thirty per cent (30.0%) or more of the voting rights of the Company immediately upon completion of the Rights Issue.

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

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company. The Group is a multimedia animation entertainment group in China, engaged in the business of sales of animation-derived products featuring a wide range of popular third-party owned animation characters, including general plastic toys and food-grade toys. The Group also offers relevant value-added services, including quality control and advice on product design to customers in accordance with their requests.

The gross proceeds from the Rights Issue will be (i) approximately HK\$84.52 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$87.58 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options). The net proceeds from the Rights Issue after deducting the expenses are estimated to be (i) approximately HK\$79.32 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$82.38 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options). The estimated expenses of the Rights Issue are approximately HK\$5.20 million, which include underwriting commission and professional fees payable to the financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue and will be borne by the Company. The net subscription price per Rights Share is expected to be approximately HK\$0.134 (assuming no change in the number of Shares in issue on or before the Record Date) and approximately HK\$0.135 (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options).

The Company intends to use the net proceeds from the Rights Issue for the following purposes:

- (i) approximately 75% (being approximately HK\$59.49 million (or HK\$61.79 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)) for settlement of the Group's indebtedness;
- (ii) approximately 10% (being approximately HK\$7.93 million (or HK\$8.24 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)) for settlement of the outstanding fees of professional parties; and

- (iii) approximately 15% (being approximately HK\$11.90 million (or HK\$12.36 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)) as general working capital of the Group, including but not limited to its daily operational expenses for rent and its staff, and for research and development expenses of the Group.

The Company considers that the above use of proceeds (i) has financial urgency as the Group's indebtedness in the amount of HK\$147.95 million has become due in March 2022; and (ii) are necessary for business operation and development of the Group. As at 31 March 2022, the bank and cash balances of the Group amounted to approximately HK\$19.15 million. Therefore, the Group does not have sufficient internal financial resources available to cater for its financial needs in settlement of the indebtedness as set out above, reflecting imminent funding needs.

The Directors have considered various ways of raising funds and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer.

Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner as it may be subject to lengthy due diligence and negotiations with financial institutions, it may as well require pledge of assets and/or other kind of securities which may reduce the Group's flexibility in managing its portfolio.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

On the other hand, the Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In the meantime, the Company can take this opportunity to broaden the capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that the Rights Issue will enable the Group to strengthen its competitiveness and working capital base and improve its financial position.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

As at the date of this announcement, there are 42,910,000 outstanding Share Options granted by the Company, which are exercisable into 42,910,000 Shares. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such 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).

Save for the foregoing, as at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

The Company did not raise any funds by issue of equity securities during the 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement, and the Rights Issue will not increase the issued share capital of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders at a general meeting pursuant to Rule 7.19A of the Listing Rules.

Rule A.3(a)(i) of the Model Code provides that a director must not deal in any securities of the listed issuer on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results, unless the circumstances are exceptional.

In light of (i) the implications under the Deeds of Irrevocable Undertaking, which would be executed by the Fortune Trust Concert Parties, including amongst others, Bright Rise (wholly-owned by Mr. Chong, an executive Director), Fortress Strength (wholly-owned by Ms. Lee Sui Fong Fiona, spouse of Mr. Chong), Bonville Glory (wholly-owned by Mr. Ting, an executive Director) and Mr. Ting; and (ii) the blackout period applicable to the Directors (and their respective spouses pursuant to Rule A.6 of the Model Code) in relation to the publication of the Annual Results will commence by the latest on 29 April 2022, which will last till the date of publication of the Annual Results, the signatories to the Deeds of Irrevocable Undertaking have undertaken specifically not to apply, subscribe for or take up any excess shares in the Rights Issue, apart from those allotted in accordance with the shareholding of each of the Fortune Trust Concert Party.

GENERAL

The Prospectus Documents containing information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Group, and PAL(s) and EAF(s) are expected to be despatched to the Qualifying Shareholders on or around Friday, 13 May 2022. The Company will not extend the Rights Issue to the Excluded Shareholders. The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to the Excluded Shareholders for information purposes but will not send any PAL or EAF to them.

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

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed “The Underwriting Agreement – Conditions of the Rights Issue and the Underwriting Agreement” and “The Underwriting Agreement – Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 3 May 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 17 May 2022 to Tuesday, 24 May 2022 (both days inclusive).

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any 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 (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

DEFINITIONS

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“Acceptance Date”	the last date for acceptance of, and payment of, the Rights Shares
“Annual Results”	the Group’s consolidated audited annual results for the year ended 31 March 2022
“Board”	the board of Directors
“Bonville Glory”	Bonville Glory Limited, a company incorporated in BVI with limited liability, the entire issued share capital of which is wholly-owned by Mr. Ting
“Bright Rise”	Bright Rise Enterprises Limited, a company incorporated in BVI with limited liability, the entire issued share capital of which is wholly-owned by Mr. Chong
“Business Day”	a day (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons announced is announced by the Government of Hong Kong or a “black” rainstorm warning signal is hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which commercial banks in Hong Kong are open for business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	the Cayman Islands Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised)
“Companies Ordinance”	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including its amendments from time to time
“Companies (WUMP) Ordinance”	The Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), including its amendments from time to time
“Company”	CA Cultural Technology Group Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on main board of the Stock Exchange (Stock Code: 1566)

“connected persons”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Deed(s) of Irrevocable Undertaking”	the seven deeds of undertakings dated 12 April 2022 executed by Bright Rise, Bonville Glory, Dragon Year, East Jumbo, Fortress Strength, Mr. Ikeda and Mr. Ting respectively, which provided irrevocable undertaking to the Company and the Underwriter with respect to the Rights Issue
“Despatch Date”	Friday, 13 May 2022, being the expected date of despatch of the Prospectus Documents (or such later date as may be agreed between the Company and the Underwriter)
“Director(s)”	the director(s) of the Company
“Dragon Year”	Dragon Year Group Limited, a company incorporated in BVI with limited liability, the entire issued share capital of which is wholly-owned by Mr. Ikeda
“EAF(s)”	the excess application form(s) for application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“East Jumbo”	East Jumbo Development Limited, a company incorporated in BVI with limited liability, the entire issued share capital of which is wholly-owned by Ms. Or Deng Fung Bonnie
“Excluded Shareholders”	the Overseas Shareholders in respect of whom the Board, after making relevant enquiries, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Fortress Strength”	Fortress Strength Limited, a company incorporated in BVI with limited liability, the entire issued share capital of which is wholly-owned by Ms. Lee Sui Fong Fiona (spouse of Mr. Chong)

“Fortune Trust Concert Parties”	the parties acting in concert with the beneficiaries of the Fortune Trust (with Newgate (PTC) Limited as trustee), being the substantial Shareholder of the Company, which beneficially owns 290,752,000 Shares as at the date of this announcement (representing approximately 24.60% of the entire issued share capital of the Company, assuming no change in the number of Shares in issue on or before the Record Date), or 293,969,000 Shares (representing approximately 24.00% of the entire issued share capital of the Company (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options)), comprises of the Bright Rise, Fortress Strength, Bonville Glory, East Jumbo, Dragon Year and their respective ultimate beneficial owners
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Last Trading Day”	12 April 2022, being the last trading day for the Shares on the Stock Exchange before the release of this announcement
“Latest Time for Termination”	4:00 p.m. on the first Business Day following the Acceptance Date, being the latest time for the termination of the Underwriting Agreement
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MGO Obligation”	the obligation to make a general offer under Rule 26 of the Takeovers Code
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules, as amended and supplemented from time to time

“Mr. Chong”	Mr. Chong Heung Chung Jason, an executive Director, the chairman and a substantial Shareholder of the Company as one of the members of the Fortune Trust Concert Parties
“Mr. Ikeda”	Mr. Shinichiro Ikeda, a substantial Shareholder of the Company as one of the members of the Fortune Trust Concert Parties, who personally owns 12,000,000 Shares
“Mr. Ting”	Mr. Ting Ka Fai Jeffrey, an executive Director and a substantial Shareholder of the Company as one of the members of the Fortune Trust Concert Parties, who personally owns 3,217,000 outstanding Share Options (exercisable into 3,217,000 Shares)
“Overseas Shareholders”	the Shareholders whose addresses as shown in the register of members of the Company on the Record Date are not situated in Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus to be issued by the Company relating to Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF proposed to be despatched to the Qualifying Shareholders on the Despatch Date and any such supplementary prospectus to be despatched to the Qualifying Shareholders (if required)
“Public Float Requirement”	the public float requirement under Rule 8.08(1)(a) of the Listing Rules
“Qualifying Shareholders”	Shareholders, whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined (or such other date as the Underwriter may agree in writing with the Company)

“Registrar”	the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights of Rights Shares in the proportion of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price, payable in full on acceptance, on the terms and subject to the conditions of the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	(a) No less than 591,021,000 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date); and (b) no more than 612,476,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options) proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
“Scaled-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the triggering of a MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scaled-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the triggering of a MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), including its amendments from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	42,910,000 outstanding share options of the Company exercisable into 42,910,000 Shares, granted by the Company pursuant to the terms and conditions of the Share Option Scheme

“Share Option Scheme”	the Share Option Scheme adopted by the Company on 16 February 2015
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties and/or undertakings contained in the relevant provision of the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.143 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Undertaken Shares”	a total number of 145,376,000 Rights Shares (or 146,984,500 Rights Shares, assuming the full exercise of the Share Options owned by Mr. Ting, as the case may be) to be provisionally allotted to the Fortune Trust Concert Parties (in accordance with the shareholding of each of the Fortune Trust Concert Party), which have undertaken to subscribe pursuant to the Deeds of Irrevocable Undertaking
“Underwriter”	Raffaello Securities (HK) Ltd., a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, being the Underwriter
“Underwriting Agreement”	the underwriting agreement dated 12 April 2022 entered into between the Company and the Underwriter in relation to the Rights Issue, as revised, supplemented or amended from time to time in accordance with its terms

“Underwritten Shares”

no less than 445,645,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), and up to 465,491,500 Rights Shares, being the maximum number of Rights Shares deducting the Undertaken Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares that are allotted and issued pursuant to the full exercise of outstanding Share Options), to be underwritten by the Underwriter on a fully underwritten basis subject to the terms and conditions of the Underwriting Agreement

“%”

per cent.

By order of the Board
CA Cultural Technology Group Limited
Chong Heung Chung Jason
Chairman and Executive Director

Hong Kong, 12 April 2022

As of the date of this announcement, the executive Directors are Mr. Chong Heung Chung Jason, Mr. Ting Ka Fai Jeffrey, Ms. Liu Moxiang and Mr. Xiong Hao, and the independent non-executive Directors are Mr. Ni Zhenliang, Mr. Tsang Wah Kwong and Mr. Hung Muk Ming.