THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Ev Dynamics (Holdings) Limited, you should at once hand this Prospectus, together with the enclosed form of proxy, to the purchaser or the transferee or to the licensed security dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited, and the SFC take no responsibility for the contents of any of the Prospectus Documents.

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 "Letter from the Board – Warning of the Risks of Dealing in the Shares and/or the nil-paid Rights Shares" in this Prospectus.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

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 their respective commencement dates of the dealings in the Rights Shares on the Stock Exchange in both their nil-paid and fully-paid forms 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.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the section headed "Letter from the Board – Rights Issue – Rights of Overseas Shareholders" in this prospectus.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus to jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

EvDynamics

Ev Dynamics (Holdings) Limited
科軒動力（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 476)

RIGHTS ISSUE
ON THE BASIS OF THREE (3) RIGHTS SHARES
FOR EVERY TWO (2) SHARES HELD
ON RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company

Donvex 富域資本
Donvex Capital Limited
富域資本有限公司

Placing Agent

SORRENTO SECURITIES LIMITED
擎天證券有限公司

Capitalized terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed "Definitions" in this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Tuesday, 20 August 2024. Dealings in the Rights Shares in nil paid form are expected to take place from Monday, 2 September 2024 to Monday, 9 September 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Monday, 2 September 2024 to Monday, 9 September 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares, the Adjusted Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its own professional advisers.

The Rights Issue proceeds on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Shares together with the NQS Unsold Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Placing. Any Unsubscribed Shares or NQS Unsold Shares which are not placed under the Placing 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. The Bermuda legal adviser of the Company has confirmed that there is no minimum subscription amount required to be raised from the Rights Issue under Bermuda law. The Rights Issue is subject to the fulfilment of the conditions of the Rights Issue as set out in the section headed "Letter from the Board – Rights Issue – Conditions of the Rights Issue" in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:10 p.m. on Wednesday, 2 October 2024). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares up to the date when all the conditions to which the Rights Issue is subject are fulfilled. 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).

The Latest Time for Acceptance is 4:00 p.m. on Thursday, 12 September 2024. The procedures for acceptance and payment and/or transfer are set out on pages 21 to 22 of this Prospectus.

29 August 2024

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue, the Placing and the associated trading arrangement is set out below. The expected timetable is subject to the satisfaction of the conditions of the Rights Issue and the Placing and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this Prospectus refer to Hong Kong local times and dates.

First day of dealings in nil-paid Rights Shares	Monday, 2 September 2024
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Wednesday, 4 September 2024
Last day of dealings in nil-paid Rights Shares	Monday, 9 September 2024
Latest Time for Acceptance	4:00 p.m. on Thursday, 12 September 2024
Announcement of the number of the Unsubscribed Shares and NQS Unsold Shares subject to the Placing	Friday, 20 September 2024
Commencement of the Placing Period (if there are any Unsubscribed Shares and NQS Unsold Shares available)	Monday, 23 September 2024
Placing End Date for the Placing	Monday, 30 September 2024
Latest Time for the Rights Issue to become unconditional and the Placing Long Stop Date	4:10 p.m. on Wednesday, 2 October 2024
Rights Issue Settlement Date and Placing completion date	Tuesday, 8 October 2024
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain)	Wednesday, 9 October 2024
Despatch of share certificates for the Rights Shares and/or refund cheques	Thursday, 10 October 2024
First day of dealings in the fully-paid Rights Shares	Monday, 14 October 2024
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Monday, 14 October 2024

Notes:

(1) Shareholders should note that the dates and deadlines specified in the above timetable, and in other parts of this Prospectus are indicative only and subject to change. Further announcement(s) will be made if there is any change to the expected timetable.

(2) All references to times and dates are references to Hong Kong times and dates.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons issued by the Hong Kong Observatory:

(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 Time for Acceptance falls. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warning in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed "Expected Timetable" in this Prospectus may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

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

"Adjusted Share(s)"	the ordinary share(s) of par value of HK$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
"Announcement"	the announcement of the Company dated 26 June 2024 in relation to, among other things, the Capital Reorganisation, the Rights Issue and the Placing
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding a Saturday, a Sunday, a public holiday and any day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business in Hong Kong throughout their normal business hours
"Bye-Laws"	the bye-laws of the Company as amended from time to time
"Capital Reduction"	the reduction of the issued share capital of the Company by reducing the par value of each Old Share from HK$0.10 to HK$0.01 by cancelling the paid-up share capital to the extent of HK$0.09 on each issued Old Share
"Capital Reorganisation"	the Capital Reduction and Shares Subdivision
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chongqing Suitong"	Chongqing Suitong Vehicles Industrial Development Company Limited* (重慶穗通汽車工業發展有限公司), a limited company incorporated in the PRC and a non-wholly owned subsidiary of the Company as at the Latest Practicable Date
"Circular"	the circular of the Company dated 25 July 2024 in relation to, among other things, the Capital Reorganisation, the Rights Issue, the Placing and the transaction contemplated thereunder
"Companies Act"	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time

"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Ev Dynamics (Holdings) Limited, a company incorporated under the laws of the Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 476)
"Compensatory Arrangements"	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed "Procedures in respect of the Unsubscribed Shares and the NQS Unsold Shares and the Compensatory Arrangements" in this Prospectus
"Completion"	completion of the Rights Issue
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"CQ Planning and Natural Resources Bureau"	Chongqing Qijiang District Bureau of Planning and Natural Resources* (重慶市綦江區規劃和自然資源局)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Guangxi Weiri"	Guangxi Weiri Mining Company Limited* (廣西威日礦業有限責任公司), a wholly-owned subsidiary of the Company as at the Latest Practicable Date
"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 PRC
"Independent Shareholders"	Shareholders other than (i) all executive Directors and their respective associates; (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the Listing Rules to abstain from voting at the SGM
"Independent Third Parties"	third party(ies) who are not connected persons of the Company and its subsidiaries and who are independent of the Company and connected persons of the Company

"Land Use Rights"	the land use rights for three parcels of land situated in Qijiang, Chongqing
"Land Use Rights Agreement"	the land use rights transfer agreements dated 27 February 2017 and 26 July 2017 entered into between Chongqing Suitong and CQ Planning and Natural Resources Bureau for the acquisition of the Land Use Rights
"Last Trading Day"	25 June 2024, being the last full trading day before the release of the Announcement
"Latest Practicable Date"	23 August 2024, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Thursday, 12 September 2024 (or such other time and date as may be determined by the Company), being the latest time for the acceptance of, and payment for, the Rights Shares
"Listing Committee"	the listing committee of the Stock Exchange for considering application for listing and the granting of listing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Net Gain"	the aggregate of any premiums (being the aggregate amount paid by the placees) after deducting the aggregate amount of the Subscription Price for the Placing Shares placed by the Placing Agent under the Placing Agreement
"No Action Shareholders"	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil- paid rights at the time such nil-paid rights lapse
"Non-Qualifying Shareholder(s)"	Overseas Shareholder(s) whom the Board, after making enquiries, consider it necessary or expedient not to offer the Rights Issue to such Shareholder(s) 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 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

"Old Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear on the register of members of the Company as at close of business on the Record Date and whose address(es) as shown on such register at that time is(are) in (a) place(s) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placing"	arrangements to place the Unsubscribed Shares and the NQS Unsold Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent"	Sorrento Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined under the SFO
"Placing Agreement"	the placing agreement dated 26 June 2024 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
"Placing End Date"	Monday, 30 September 2024 or such other date as the Company and the Placing Agent may agree in writing
"Placing Long Stop Date"	4:10 p.m. on Wednesday, 2 October 2024 (being the next Business Day after the Placing End Date) or such later date as the Company and the Placing Agent may agree in writing
"Placing Period"	the period commencing from the sixth Business Day after the Latest Time for Acceptance and ending on 6:00 p.m. on the eleventh Business Day after the Latest Time for Acceptance
"Placing Share(s)"	Unsubscribed Share(s) and the NQS Unsold Share(s)
"Posting Date"	Thursday, 29 August 2024 (or such other date as may be determined by the Company), being the date of dispatch of Prospectus Document to the Qualifying shareholders and the Prospectus for information only to the Non-Qualifying Shareholders

"PRC"	the People's Republic of China, which for the purpose of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prospectus"	the prospectus to be issued by the Company in relation to the Rights Issue
"Prospectus Documents"	the Prospectus and the PAL(s)
"Qualifying Shareholder(s)"	Shareholder(s), other than the Non-Qualifying Shareholders whose name(s) appear on the register of members of the Company on the Record Date
"Record Date"	Wednesday, 28 August 2024 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
"Registrar"	the Company's branch share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Issue"	the issue of Rights Shares at the Subscription Price on the basis of three Rights Shares for every two Adjusted Shares held on the Record Date payable in full on acceptance
"Rights Share(s)"	up to 1,391,951,844 Adjusted Shares to be allotted and issued pursuant to the Rights Issue (assuming no change in the number of Shares in issue on or before Record Date), or a maximum of 1,525,466,844 Adjusted Shares (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date other than the Capital Reorganisation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company held on 15 August 2024 to consider and, if thought fit, to approve, among other things, the Capital Reorganisation, the Rights Issue, the Placing and the transactions contemplated thereunder

"Share(s)"	ordinary share(s) with par value of HK$0.01 each in the share capital of the Company
"Share Option"	the share option(s) granted by the Company pursuant to the Share Option Scheme
"Share Option Scheme"	the share option scheme adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 29 August 2023
"Share Subdivision"	the subdivision of each authorised but unissued share of par value of HK$0.10 into ten (10) Adjusted Shares of par value of HK$0.01 each
"Shareholder(s)"	holder(s) of the share(s) in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.095 per Rights Share
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers issued by the SFC (as may be amended from time to time)
"TGLP"	Tong Guan La Plata Company Limited, which is 60% indirectly held by the Company and an associated corporation of the Company as at the Latest Practicable Date
"Unsubscribed Share(s)"	the number of unsubscribed Rights Share(s) not taken up by Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue
"%"	per cent

* *For identification purposes only*

Ev Dynamics (Holdings) Limited
科軒動力（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 476)

Executive Directors:
Mr. Cheung Ngan *(Chairman and Chief Executive Officer)*
Ms. Chan Hoi Ying

Independent Non-executive Directors:
Mr. Chan Francis Ping Kuen
Mr. Lee Kwok Leung
Dato' Tan Yee Boon

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business:
46th Floor
United Asia Finance Centre
333 Lockhart Road
Wanchai

29 August 2024

To the Qualifying Shareholders, and for information only, to the Non-Qualifying Shareholders

Dear Sir or Madam,

RIGHTS ISSUE
ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

References are made to the Announcement and the Circular in relation to, among other things, the Capital Reorganisation, the Rights Issue and the Placing.

The purpose of this Prospectus is to provide you with, among other things, (i) further information relating to the Rights Issue, including the procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted to the Qualifying Shareholders; (ii) financial information of the Group; (iii) unaudited pro forma financial information of the Group; and (iv) other information of the Group.

At the SGM held on Thursday, 15 August 2024, the necessary resolutions for approving, among other things, the Capital Reorganisation, the Rights Issue, the Placing and the transactions contemplated thereunder, were duly passed by the Shareholders or the Independent Shareholders (as the case may be). The Capital Reorganisation became effective on Monday, 19 August 2024. Please refer to the announcement of the Company dated 15 August 2024 in relation to, among others, the poll results of the SGM and the effective date of the Capital Reorganisation for further details.

RIGHTS ISSUE

The Board proposes to conduct the Rights Issue on the basis of three (3) Rights Shares for every two (2) Shares held as at the Record Date. Set out below are the details of the Rights Issue statistics.

Rights Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every two (2) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.095 per Rights Share
Net price per Rights Shares (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.094 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue as at the Latest Practicable Date	:	927,967,897 Shares (assuming there is no change in number of Shares in issue on or before the Record Date other than the Capital Reorganisation becoming effective)

Number of Rights Shares (Shares to be issued pursuant to the Rights Issue)	:	Up to: (i) 1,391,951,844 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) with an aggregate nominal value of HK$13,919,518.44; or (ii) 1,525,466,844 Rights Shares (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date other than the Capital Reorganisation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options) with an aggregate nominal value of HK$15,254,668.44.
Total number of Shares in issue upon completion of the Rights Issue	:	2,319,919,741 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) or up to 2,542,444,741 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation becoming effective and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options)
Gross proceeds from the Rights Issue	:	Up to approximately HK$132.2 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) with a maximum of approximately HK$144.9 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation becoming effective and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options)

As at the Latest Practicable Date, the Company has outstanding Share Options of entitling participants to subscribe for a total of 89,010,000 Shares and has outstanding scheme mandate limit of 92,796,789 Shares under the Share Option Scheme which was approved and adopted in the annual general meeting of the Company dated 29 August 2023.

Save for the Share Options, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares as at the Latest Practicable Date.

Assuming no change in the number of Shares in issue on or before the Record Date, other than the Capital Reorganisation becoming effective, the aggregate 1,391,951,844 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 150% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and approximately 60% of the total number of issued Adjusted Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

Assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation becoming effective and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options, the aggregate 1,525,466,844 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 150% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and approximately 60% of the total number of issued Adjusted Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

As at the Latest Practicable Date, the Company has not received any notice from any holders of the Share Option that they intend to exercise the Share Options held by them.

The Subscription Price

The Subscription Price is HK$0.095 per Rights Share, which shall be payable in full by Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares. According to the relevant Bermuda laws, the Company shall not issue Shares at a price below its par value.

The Subscription Price represents:

(i) a premium of approximately 9.20% to the adjusted closing price of HK$0.087 per Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.087 per Old Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 3.06% to the adjusted closing price of HK$0.098 per Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.098 per Old Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 3.06% to the adjusted average closing price of HK$0.098 per Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK$0.098 per Old Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 3.94% to the adjusted average closing price of HK$0.099 per Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of approximately HK$0.0989 per Old Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 92.93% to the latest published audited consolidated net asset value per Share as at 31 March 2024 of approximately HK$1.343 based on the net asset value attributable to the owners of the Company as at 31 March 2024 of approximately HK$1,246.2 million as disclosed in the annual results announcement of the Company for the year ended 31 March 2024 dated 27 June 2024 and 927,967,897 Shares in issue as at the Latest Practicable Date; and

(vi) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 1.84%, represented by the theoretical diluted price of HK$0.096 per Share (after taking into account the effect of the Capital Reorganisation) to the benchmarked price of approximately HK$0.098 per Adjusted Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Adjusted Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average closing price of the five (5) previous consecutive trading days prior to the Latest Practicable Date and taking into account the effect of the Capital Reorganisation).

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of Rights Issue as discussed in the section headed "Reasons for the Rights Issue, the Placing and the Use of Proceeds", and the amount of funds the Company intends to raise under the Rights Issue.

Under the Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Company considers that the discount of the Subscription Price to the current market price (taking into account the effect of the Capital Reorganisation) will encourage them to participate in the Rights Issue.

Considering that (a) the Subscription Price was determined based on the market price of the Shares under the prevailing market conditions and the business performance of the Group, and (b) the discount of the Subscription Price will incentivize the Shareholders to participate in the Rights Issue, the Directors are of the view that the discount of the Subscription Price to the latest net assets value per Share is fair and reasonable.

The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, 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 of an undersubscription of the Rights Issue, any Unsubscribed Shares together with the NQS Unsold Shares will be placed on a best effort basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Shares or NQS Unsold Shares remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Bermuda legal adviser of the Company has confirmed that there is no minimum subscription amount required to be raised from the Rights Issue under Bermuda law. Despite the fact that there is no guarantee for the minimum amount to be raised by the Rights Issue under the non-underwritten basis, the Placing Agent will place any Unsubscribed Shares together with the NQS Unsold Shares on a best effort basis to independent placees. The Board understand that in the event the Unsubscribed Shares and the NQS Unsold Shares are fully-underwritten, the underwriting commission charged by underwriters is generally much higher than the commission charged for placing on a best effort basis. To improve the cost effectiveness of the Rights Issue and having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board considers that conducting the Rights Issue on a non-underwritten basis is fair and reasonable, on the normal commercial terms and in the interest of the Company and the Shareholders as a whole.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder who applies to take up all or part of his/her/its entitlement under the PAL 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 Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder 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.

Conditions of the Rights Issue

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

(i) the Capital Reorganisation having become effective;

(ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the SGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(iii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

(iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Posting Date;

(v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and

(vi) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before 4:10 p.m. on Wednesday, 2 October 2024 (or such later date as the Company may determine), the Rights Issue will not proceed.

As at the Latest Practicable Date, conditions (i) and (ii) above have been fulfilled.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the 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 in both their nil-paid and fully-paid forms 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.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company prior to the closing of business on the Record Date, all transfers of Adjusted Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Company's branch share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Wednesday, 21 August 2024.

The last day of dealing the Adjusted Shares on a cum-rights basis was Monday, 19 August 2024. The Adjusted Shares have been dealt with on an ex-rights basis from Tuesday, 20 August 2024.

Closure of register of members

The register of members of the Company were closed from Thursday, 22 August 2024 to Wednesday, 28 August 2024 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares (in nil-paid form) for every two (2) Shares held by the Qualifying Shareholders as at close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance. Any holding (or balance of holdings) of less than two (2) Shares will not entitle the holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the section headed "No Fractional Entitlement" below.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Company has appointed Sorrento Securities Limited as matching agent to provide matching service, on a best-effort basis, to those Shareholders who wish to top-up their odd lots to a full board lot or sell their shareholdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 14 October 2024 to 4:00 p.m. on Monday, 28 October 2024 (both days inclusive).

Holders of the Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot may directly or through their brokers contact Mr. Francis Cheung of Sorrento Securities Limited at Room 1208, 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong (telephone: (852) 3959 9800) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) within such period.

Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best-effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above odd lot arrangement.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Rights Issue will not be extended to the Overseas Shareholder as explained below.

As at the Latest Practicable Date, there were five Overseas Shareholders whose registered addresses were in the Canada, Macau, Taiwan and United States of America, which holds an aggregate of 767 Shares, representing less than 0.0001% of the issued Shares as at the Latest Practicable Date.

The details of the shareholding of the Overseas Shareholders are as follows:

Address	**Number of Shareholder(s)**	**Number of Shares held**	**Approximate percentage of the issued share capital of the Company**
Canada	1	125	0.00001%
Macau	2	92	0.00001%
Taiwan	1	50	0.00001%
United States of America	1	500	0.00005%
Total	5	767	0.00008%

The Company will continue to ascertain whether there are any other Overseas Shareholders at the Record Date and will make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder as at the Record Date.

Assuming the Overseas Shareholders take up their entitlement to the Rights Issue in full, the subscription amount of their entitlement to the Rights Issue will be approximately HK$1,150. In compliance with the necessary requirements of the Listing Rules, the Company had made enquiry regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. However, based on the preliminary discussion with the legal advisers, the legal cost of such enquiry would be up to approximately HK$100,000. Having regard to the time and costs involved and the latest financial position of the Company, the Company has determined the Rights Issue will not be extended to the Overseas 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, to the extent permitted under the relevant laws and regulations and reasonably practicable, send copies of the Overseas Letter and the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the PAL to them.

Accordingly, no person receiving a copy of any of the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof.

Save as disclosed above, the Company have no other Overseas Shareholders based on the shareholders information available from the Registrar on the Record Date.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

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, Overseas Shareholders should exercise caution when dealing in the Shares.

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

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose of the Unsubscribed Shares and the NQS Unsold Shares by offering the Unsubscribed Shares and the NQS Unsold 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. On 26 June 2024, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of Unsubscribed Shares and the NQS Unsold Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best effort basis, any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Prohibited Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 30 September 2024, on the Placing End Date, placees to subscribe for all (or as many as possible) of those Unsubscribed Shares and the NQS Unsold Shares. Any Unsubscribed Shares and the NQS Unsold Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

Placing Agreement for Unsubscribed Shares and the NQS Unsold Shares

Details of the Placing Agreement are summarised below:

Date	:	26 June 2024 (after trading hours)
Issuer	:	The Company

Placing Agent	:	Sorrento Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, was appointed as the Placing Agent to procure, on the best effort basis, placees to subscribe for the Unsubscribed Shares and NQS Unsold Shares during the Placing Period. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not the Shareholder; and (ii) they are Independent Third Parties.
Placing Period	:	The period commencing from the sixth Business Day after the Latest Time for Acceptance and end at 4:10 p.m. on the eleventh Business Day after the Latest Time for Acceptance.
Commission and expenses	:	The Placing Agent shall be entitled to a commission fee equal to 1.5% of the amount which is equal to the Placing price multiplied by the Placing Shares that have been successfully placed by the Placing Agent with a minimum fee of HK$150,000 pursuant to the terms of the Placing Agreement. The commission is not payable by the Company to the Placing Agent if the Placing Agreement has not become unconditional or is otherwise terminated in accordance with its terms.
Placing price	:	The placing price of each of the Placing Shares shall be not less than the Subscription Price. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of placement.
Placees	:	The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
Ranking of the Placing Shares	:	The Placing Shares (when placed, allotted, issued and fully paid), shall rank pari passu in all respects among themselves and with the Adjusted Shares in issue at the date of completion of the Placing.

Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

(i) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraph (i) above) by notice in writing to the Company.

Termination : The Placing Agreement shall end on 30 September 2024 or any other date by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. Such provision will cease to be exercisable on 30 September 2024. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Placing completion	:	Completion is expected to take place within eleven Business Days after publication of an announcement by the Company of the number of the Unsubscribed Shares and NQS Unsold Shares under the Compensatory Arrangements and upon fulfillment or waiver (as the case may be) of the conditions precedent to the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing. The Company shall use its best endeavours to procure the fulfillment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfillment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

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

As explained above, the Unsubscribed Shares and NQS Unsold Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Shares and NQS Unsold Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Placing Shares to the Company; (ii) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non- Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders. Besides, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable.

The timetable of the Placing is driven by the timetable of the Rights Issue. Under the terms of the Placing Agreement, the Placing Period shall commence on Monday, 23 September 2024, or such other date as the Company may announce. The Placing Period shall end at 4:00 p.m. on Monday, 30 September 2024, or such other date as the Company may announce.

If all the Rights shares are already fully taken up in the Rights Issue through valid applications of the PAL(s), the Placing will not proceed.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully- paid Rights Shares are expected to be posted on or before Thursday, 10 October 2024 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Thursday, 10 October 2024 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

No Fractional Entitlement

The Company will not provisionally allot fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. 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.

Application for listing of the Rights Shares

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 to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

RIGHTS SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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 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.

Procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted

The PAL, as an actionable corporate communication and a temporary document of title, will be despatched in printed form to the Qualifying Shareholder(s) and entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PALs, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Thursday, 12 September 2024. All remittances must be made by cheques or banker's cashier orders in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Ev Dynamics (Holdings) Limited" and must be crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar for registration by no later than 4:00 p.m. on Thursday, 12 September 2024, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may (at its sole discretion but without obligation) treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of a Qualifying Shareholder's rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire original PAL must be surrendered and lodged for cancellation by no later than 4:00 p.m. on Wednesday, 4 September 2024 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations as required. The new PALs will be available for collection at the Registrar, Tricor Tengis 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.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and banker's cashier orders will be presented for payment following receipt and all interests earned on such application monies (if any) will be retained for the benefit of the Company. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. Completion and return of the PAL together with a cheque or banker's cashier order in payment of the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by such person that the cheque or banker's cashier order will be honoured upon first presentation.

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

No action has been taken to permit the offering of the Rights Shares, or the distribution of the Prospectus Documents in any territory other than Hong Kong. The Prospectus Documents should not be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws and regulations. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof. Completion and return of the PAL by anyone outside Hong Kong will be deemed to constitute a warranty and representation from such person to the Company that all local legislation, legal and regulatory requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. 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 legislation or other laws or regulations of any jurisdiction.

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

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid Rights Shares. Please refer to the section headed "Rights Issue – Conditions of the Rights Issue" in this Prospectus.

Shareholders and potential investors of the Company should note that each of the Rights Issue and the Placing is subject to the fulfilment of certain conditions. If any of the conditions of the Rights Issue and/or the Placing are not fulfilled, the Rights Issue and/or the Placing will not proceed.

Any Shareholder or other person contemplating transferring, selling, or purchasing Shares 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 and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or the Placing Long Stop Date, which is expected to be 4:10 p.m. on Wednesday, 2 October 2024, will accordingly bear the risk that the Rights Issue and/or the Placing may not proceed.

REASONS FOR THE RIGHTS ISSUE, THE PLACING AND THE USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company consist of investment holding, development of new energy business and trading of metals and minerals. The Group also owns the Glauberite Mine located in the Guangxi Zhuang Autonomous Region of the PRC.

Despite the Company continued to safeguard its working capital by requesting the customers to pay deposit before commencing production of any purchase orders, the customers of the Group have postponed the purchase orders in order to maintain their working capital due to the cautious economic sentiment and the prevailing high interest rate environment, which in turn exerted pressure on the working capital of the Group. As at 31 May 2024, the balance of the cash and cash equivalent of the Group amounted to approximately HK$5.6 million. As the Company is expected to incur cash outflow of around an average of HK$1 million each month, it is expected that, in the event the Company does not receive any cash inflow during the remainder of the year including but not limited to the proceeds from the Rights Issue, the Company may not have sufficient working capital to maintain the daily operations by the end of the year.

For the year ended 31 March 2024, the Group continued to develop its new energy business and received purchase orders from a number of customers. In particular, the Group has been successfully awarded a contract of supplying the first electric mobile command unit for the Hong Kong Fire Services Department during the year.

However, due to the pressure in the working capital of the Group, the Company may have to rearrange or delay the production schedule in order to minimise the outflow of working capital. Accordingly, the Group may only split the purchase orders into a number of batches which might prolong the time required for completing purchase orders on hand for delivering to its customers within the expected delivery schedule of the customers.

In addition, the Company generally delivers the electric vehicles from its production facility in the PRC to overseas customers through international freight logistics. If the number of vehicles delivered for each shipping process is limited, the average shipping cost for each vehicle may not be desirable. With limited working capital, the Company might have to schedule the purchase orders into a number of small batches for delivery, which would increase the average delivery cost and prolong the delivery schedule. For instance, the contract of one of the Group's projects on hand with a South American customer was expired due to, among other things, the limited working capital which delayed the production and delivery schedule by over a year, as the Company had no choice but to split the purchase orders into at least 18 batches that increased the overall shipping cost and prolonged the delivery schedule. The remaining consideration for the unfulfilled portion of the expired contract was over HK$270 million.

On top of the above, as the Company could not fully utilise its production capacity or ascertain a concrete production schedule due to the limitation on its working capital, the Company could not provide a competitive delivery timetable or guarantee any delivery timeline at all to the customers while negotiating new production orders with both existing and potential customers or during the tendering process. As such, the Company considers it may facilitate the negotiation of production orders with potential customers with sufficient working capital.

As such, the Company proposes to conduct the Rights Issue to (i) provide working capital for the development of the new energy business; and (ii) replenish its general working capital.

Use of Proceeds

The maximum gross and net proceeds (after deducting related expenses) from the Rights Issue are estimated to be approximately HK$144.9 million and HK$143.9 million, respectively. The Company intends to apply the net proceeds from the Rights Issue for the development of the new energy business and general working capital of the Group as follows:

(i) approximately 32.0% of the net proceeds or approximately HK$46.0 million for the material and relevant production cost for completing production orders of electric vehicles on hand, which is expected to be utilised by first half of 2025;

(ii) approximately 33.2% of the net proceeds or approximately HK$47.8 million for the material and relevant production cost for production orders of electric and utility vehicles for potential customers, which is expected to be utilised by the year ending 31 March 2026 in the event the purchase orders under negotiation materialise;

(iii) approximately 5.5% of the net proceeds or approximately HK$8.0 million for the homologation, marketing and promotion and after-sales support of the electric vehicles, which is expected to be utilised by the first half of 2025;

(iv) approximately 14.6% of the net proceeds or approximately HK$21.0 million for settlement of salaries, rental, legal and professional fees and other administrative expenses for twelve months, which is expected to be utilised by the end of 2025; and

(v) approximately 14.7% of the net proceeds or approximately HK$21.1 million for general working capital of the Group, which is expected to be utilised by the end of 2025.

If the Rights Issue is undersubscribed and the size of the Rights Issue is reduced, the net proceeds are expected to be utilised with proportional reductions in the same usage scenarios as above.

The Company does not at this time have any definitive plan to conduct further fund-raising. However, the Company will continue to monitor and evaluate (i) market conditions; (ii) the financial position of the Group; (iii) potential growth opportunities and (iv) future development of the Group, to evaluate if there is a need for further fund-raising.

Alternative fund-raising methods considered

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

The Board considers that to finance the funding needs of the Group in the form of equity is a better alternative than debt as it would not result in additional interest burden and will improve the gearing of the Group. In particular, the Company had difficulties in sourcing debt financing from financial institutions due to the lack of security as the Company does not have material tangible assets in Hong Kong.

Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. On the contrary, the Rights Issue is pre-emptive in nature, as it allows Qualifying Shareholders to maintain their proportional shareholdings in the Company through participation in the Rights Issue. The Rights Issue also allows the Qualifying Shareholders to (a) increase their respective shareholding interests in the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (b) reduce their respective shareholding interests in the Company by disposing of their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, a rights issue is preferred. Further, the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs.

Conclusion

Taking into account of the above, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS FROM THE LATEST PRACTICABLE DATE

The Company has not conducted any fund-raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable 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 Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Completion assuming full acceptance by all Qualifying Shareholders under the Rights Issue; and (iii) immediately after the Completion assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing:

(a) assuming there is no change in the issued share capital of the Company, other than as a result of the Capital Reorganisation, from the Latest Practicable Date up to and including the Record Date:

Shareholder	**As at the Latest Practicable Date**		**Immediately after the Completion assuming full acceptance by all Qualifying Shareholders under Rights Issue**		**Immediately after the Completion assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Entrust Limited *(Note 1)*	98,272,751	10.59%	245,681,876	10.59%	98,272,751	4.24%
Mr. Cheung Ngan *(Note 2)*	53,603,855	5.78%	134,009,637	5.78%	53,603,855	2.31%
Faith Profit Holding Limited *(Note 2)*	22,258,640	2.40%	55,646,600	2.40%	22,258,640	0.96%
Other Directors						
Ms. Chan Hoi Ying	–	–	–	–	–	–
Mr. Chan Francis Ping Kuen	–	–	–	–	–	–
Mr. Lee Kwok Leung	–	–	–	–	–	–
Dato' Tan Yee Boon	–	–	–	–	–	–
Other public Shareholders	753,832,651	81.23%	1,884,581,627	81.23%	753,832,651	32.49%
Placees	–	–	–	–	1,391,951,844	60.00%
	927,967,897	100.00%	2,319,919,741	100.00%	2,319,919,741	100.00%

Notes:

1. Entrust Limited is controlled as to 34% by Mr. Chan Tok Yu, 25% by Ms. Chan Hoi Ying (an executive Director of the Company), 25% by Mr. Chan Hin Yeung and 16% by Ms. Siu Kwan. Mr. Chan Tok Yu's interest is held by Ms. Siu Kwan as a trustee. Accordingly, Mr. Chan Tok Yu and Ms. Siu Kwan are deemed to be interested in the shares in which Entrust Limited is interested by virtue of the SFO.

2. Faith Profit Holding Limited is wholly owned by Mr. Cheung Ngan, the Chairman and executive Director of the Company. Mr. Cheung Ngan is also interested in 1,270,000 Share Options.

3. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

(b) assuming there is no change in the issued share capital of the Company, other than as a result of the Capital Reorganisation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options, from the Latest Practicable Date up to and including the Record Date:

Shareholder	**As at the Latest Practicable Date**		**Immediately after the full exercise of the outstanding Share Options**		**Immediately after the Completion assuming full acceptance by all Qualifying Shareholders under Rights Issue**		**Immediately after the Completion assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Entrust Limited *(Note 1)*	98,272,751	10.59%	98,272,751	9.66%	245,681,877	9.66%	98,272,751	3.87%
Mr. Cheung Ngan *(Note 2)*	53,603,855	5.78%	54,873,855	5.40%	137,184,637	5.40%	54,873,855	2.16%
Faith Profit Holding Limited *(Note 2)*	22,258,640	2.40%	22,258,640	2.19%	55,646,600	2.19%	22,258,640	0.88%
Other Directors								
Ms. Chan Hoi Ying	–	–	1,270,000	0.12%	3,175,000	0.12%	1,270,000	0.05%
Mr. Chan Francis Ping Kuen	–	–	1,270,000	0.12%	3,175,000	0.12%	1,270,000	0.05%
Mr. Lee Kwok Leung	–	–	900,000	0.09%	2,250,000	0.09%	900,000	0.03%
Dato' Tan Yee Boon	–	–	900,000	0.09%	2,250,000	0.09%	900,000	0.03%
Other public Shareholders	753,832,651	81.23%	837,232,651	82.33%	2,093,081,627	82.33%	837,232,651	32.93%
Placees	–	–	–	–	–	–	1,525,466,844	60.00%
	927,967,897	100.00%	1,016,977,897	100.00%	2,542,444,741	100.00%	2,542,444,741	100.00%

Notes:

1. Entrust Limited is controlled as to 34% by Mr. Chan Tok Yu, 25% by Ms. Chan Hoi Ying (executive director of the Company), 25% by Mr. Chan Hin Yeung and 16% by Ms. Siu Kwan. Mr. Chan Tok Yu's interest is held by Ms. Siu Kwan as a trustee. Accordingly, Mr. Chan Tok Yu and Ms. Siu Kwan are deemed to be interested in the shares in which Entrust Limited is interested by virtue of the SFO.

2. Faith Profit Holding Limited is wholly owned by Mr. Cheung Ngan, the Chairman and executive Director of the Company. Mr. Cheung Ngan is also interested in 1,270,000 Share Options.

3. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

The public float requirements under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

POSSIBLE ADJUSTMENT TO OUTSTANDING SHARE OPTIONS

As at the Latest Practicable Date, the Company has outstanding Share Options of entitling participants to subscribe for a total of 89,010,000 Shares and has outstanding scheme mandate limit of 92,796,789 Shares under the Share Option Scheme which was approved and adopted in the annual general meeting of the Company dated 29 August 2023.

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 Schemes. 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 Schemes, and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

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

Shareholders and potential investors of the Company should note that the Rights Issue and the Placing are conditional upon, among others, conditions set out in the sections headed "Letter from the Board – Rights Issue – Conditions of the Rights Issue" and "Letter from the Board – Rights Issue – Placing Agreement for Unsubscribed Shares and the NQS Unsold Shares" in this Prospectus, respectively. Accordingly, the Rights Issue and/or the Placing may or may not proceed.

Any dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue and the Placing are fulfilled will bear the risk that the Rights Issue and/or the Placing may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

ADDITIONAL INFORMATION

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

Yours faithfully,
On behalf of the Board
Ev Dynamics (Holdings) Limited
Cheung Ngan
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the year ended 31 March 2022 have been set out on pages 69 to 162 in the annual report 2022 of the Company which was published on 27 July 2022 on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://evdynamics.com). Please also see below the link to the annual report 2022 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0727/2022072700349.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2023 have been set out on pages 73 to 180 in the annual report 2023 of the Company which was published on 27 July 2023 on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://evdynamics.com). Please also see below the link to the annual report 2023 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0727/2023072700429.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2024 have been set out on pages 72 to 178 in the annual report 2024 of the Company which was published on 22 July 2024 on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://evdynamics.com). Please also see below the link to the annual report 2024 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0722/2024072200359.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2024, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

	As at 31 July 2024
	HK$'000
Current liabilities	
Lease liabilities – unsecured and unguaranteed	4,624
Loan from Shareholders – unsecured and unguaranteed	12,911
	17,535
Non-current liabilities	
Lease liabilities – unsecured and unguaranteed	833
Total	18,368

	As at 31 July 2024 *HK$'000*
Capital commitment	
Acquisition of property, plant and equipment	18,131
Capital expenditure in respect of the construction of the ores processing plant	3,658
Capital expenditure in respect of the mining operations	17,307
Capital expenditure in respect of the development of electric vehicles	777
Total	39,873

Save as disclosed above, the Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance (other than normal trade bills), acceptance credits, hire purchase commitments, outstanding convertible debt securities or other similar indebtedness, any guarantees or other material contingent liabilities at the close of business on 31 July 2024.

3. WORKING CAPITAL OF THE GROUP

The Directors, after due and careful enquiry, are of the opinion that, (i) in the event the Company does not receive any cash inflow for at least 12 months from the date of this Prospectus, including but not limited to the proceeds from the Rights Issue, the Company may not have sufficient working capital for its present requirements for at least 12 months from the date of this Prospectus; and (ii) taking into account the financial resources presently available to the Group including the internally generated funds, the existing cash and bank balances and the estimated net proceeds from the Rights Issue (assuming an acceptance level of at least 50% from the Qualifying Shareholders), the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this Prospectus. The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2024, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the development and sales of electric vehicles, mining and metal and minerals trading.

As disclosed in the annual report of the Company for the year ended 31 March 2024 ("**FY2024**"), the Group's revenue increased by approximately HK5.9 million from approximately HK$36.3 million for the year ended 31 March 2023 ("**FY2023**") to $42.2 million for FY2024. Excluding the write-down of inventories, the gross profit increased to approximately HK$9.6 million for FY2024 (FY2023: HK$4.2 million). The increase in revenue and gross profit was mainly due to the increase in selling price of the electric vehicles. However, the Group recorded a loss of approximately HK$326.8 million for FY2024 as compared to a loss of approximately HK$81.4 million for FY2023. The significant increase in loss was mainly due to (i) the increase in impairment loss on mining assets in Guangxi of approximately HK$170.6 million (FY2023: HK$96.4 million); and (ii) the change in fair value and realised loss on disposal of financial assets at fair value through profit or loss amounting to approximately HK$72.1 million in FY2024 (FY2023: positive change in fair value of HK$87.7 million).

In FY2024, the Group successfully exported 100 units of electric vehicle products to overseas markets, contributing more than HK$42 million revenue to the Group. A further batch of 250 units have been completed but the delivery has been held up because of modification requests from the customer. In addition, due to the recent sluggish economic sentiment and rising market interest rate, the overall delivery schedule remains slower than expected. Nevertheless, the Group has continued exploring solutions and opportunities in different market sectors to retrieve its growth, including emerging markets and developing economies.

In the first half of 2024, the Group has continued to source new overseas customers and entered into new sales contract for customers in South America and South East Asia. The Group has been in the process of arranging the shipment to the abovementioned customers. Besides, the Group has been actively securing new contracts with the customers located in the Philippines, Hong Kong, Singapore and Africa. As at the Latest Practicable Date, the contracts under negotiation or tender procedures between the Group and its customers amount to over HK$300 million, which is expected to generate substantial revenue for the Group for the years ending 31 March 2025 and 2026. In order to establish strong market presence, the Group will continue to improve the manufacturing processes of electric vehicle products, enhance its product offerings and maintain competitive edge in the market. Our commitment to the improvement of product has resulted in the introduction of higher-performing electric vehicles, which have been well received by our customers across various industries.

Looking forward, new energy sectors, which are the major trend in addressing air pollution and enhancing economic sustainability, are becoming a key focus of global interest. The global demand for electric vehicles and renewable energy sources has continued to accelerate, creating significant growth opportunities for the Group. With the Group's diversification of business into overseas export markets, the Company is confident that the electric bus and electric vehicles business of the Group will grow at a fast pace, contributing more to the Group's overall revenue and elevating its business to the next level. Leveraging on the accumulated experience in the development of electric vehicles, the Group is well positioned and confident in its ability to further develop the market and expand and capture new opportunities as they arise. The Group will continue to ride on the development momentum of the new energy business in the future while striving to balance the profitability and growth of the existing business and exploring novel opportunities.

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

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 31 March 2024.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, may not give a true picture of the consolidated financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company is based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2024, adjusted as described below:

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2024 *HK$'000 (Note 1)*	**Estimate net proceeds from the Rights Issue** *HK$'000 (Note 2)*	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue** *HK$'000*
	1,242,574	129,368	1,371,942
Audited consolidated net tangible assets of the Group attributable to the owners of the Company per Adjusted Share as at 31 March 2024 *(Note 3)*			HK$1.34

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2024 *HK$'000 (Note 1)*	Estimate net proceeds from the Rights Issue *HK$'000 (Note 2)*	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue *HK$'000*
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Adjusted Share immediately after the completion of the Rights Issue *(Note 4)*			HK$0.59

Notes:

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2024 is based on the consolidated net assets of the Group attributable to owners of the Company of approximately HK$1,246,213,000, after deducting other intangible assets of approximately HK$3,639,000 as at 31 March 2024, extracted from the published annual report of the Group for the year ended 31 March 2024.

2. The estimated net proceeds from the Rights Issue of approximately HK$129,368,000 is calculated based on 1,391,951,844 Rights Shares to be issued (on the basis of three Rights Shares for every two Adjusted Shares held as at the Record Date and assuming there is no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) at the subscription price of HK$0.095 per Rights Share, after deduction of the estimated related expenses of approximately HK$2,867,000, assuming that the Rights Issue had been completed on 31 March 2024.

3. The audited consolidated net tangible assets of the Group attributable to the owners of the Company per Adjusted Share at 31 March 2024 is calculated based on (i) the audited consolidated net tangible assets of the Group attributable to the owners of the Company at 31 March 2024 of approximately HK$1,242,574,000 and (ii) 927,967,897 Adjusted Shares in issue at 31 March 2024 as if the Capital Reorganisation had become effective on 31 March 2024.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Adjusted Share immediately after the completion of the Rights Issue is calculated based on (i) the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue of approximately HK$1,371,942,000 and (ii) 2,319,919,741 Adjusted Shares, comprising 927,967,897 Adjusted Shares in issue at 31 March 2024 as if the Capital Reorganisation had become effective on 31 March 2024 and 1,391,951,844 Rights Shares to be issued assuming that the Rights Issue had been completed on 31 March 2024.

5. No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2024.

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

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants

29 August 2024

The Board of Directors
Ev Dynamics (Holdings) Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Ev Dynamics (Holdings) Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets as at 31 March 2024 as set out on pages II-1 to II-2 of the prospectus (the "**Prospectus**") issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The 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 as at 31 March 2024 as if the transaction had been taken place at 31 March 2024. As part of this process, information about the Group's consolidated net tangible assets has been extracted by the directors from the Group's audited consolidated financial statements for the year ended 31 March 2024, on which an audit report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 29 of Chapter 4 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 ("**AG**") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" 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 behaviour.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

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

The purpose of pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2024 would have been as presented.

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

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

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

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

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

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for the Rights Issue, the Placing and the Use of Proceeds" set out on pages 22 to 24 of the Prospectus.

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Fong Tak Ching
Practising Certificate Number P06353
Hong Kong

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 Company. 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; and (ii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation) are as follows:

(a) As at the Latest Practicable Date:

	Number of Shares	Nominal value of shares *HK$*
Authorised:	50,000,000,000	500,000,000.00
Issued and fully paid:	927,967,897	9,279,678.97

(b) Immediately after the completion of the Rights Issue:

	Number of Shares	Nominal value of shares *HK$*
Authorised:	50,000,000,000	500,000,000.00
Issued and fully paid:	927,967,897	9,279,678.97
Rights Shares to be issued:	1,391,951,844	13,919,518.44
Shares in issue immediately after the Rights Issue:	2,319,919,741	23,199,197.41

(c) Immediately after the completion of the Rights Issue upon the full exercise of the outstanding Share Options:

	Number of Shares	Nominal value of shares *HK$*
Authorised:	50,000,000,000	500,000,000.00
Issued and fully paid:	927,967,897	9,279,678.97
Share Options to be exercised:	89,010,000	890,100.00
Rights Shares to be issued:	1,525,466,844	15,254,668.44
Shares in issue immediately after the Rights Issue:	2,542,444,741	25,424,447.41

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the 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 in both their nil-paid and fully-paid forms 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.

The Company will apply to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Name of Director/ Chief Executive	Capacity	Number of Shares held – long position	Approximate percentage of the issued share capital of the Company
Mr. Cheung Ngan	Beneficial owner & interest of controlled corporation	77,132,495 *(Note 1)*	8.31%
	Interest of controlled corporation	1,000 *(Note 2)*	20%
Ms. Chan Hoi Ying	Beneficial owner	1,270,000 *(Note 3)*	0.14%
Mr. Chan Francis Ping Kuen	Beneficial owner	1,270,000 *(Note 3)*	0.14%
Mr. Lee Kwok Leung	Beneficial owner	900,000 *(Note 3)*	0.10%
Dato' Tan Yee Boon	Beneficial owner	900,000 *(Note 3)*	0.10%

Notes:

1. The 77,132,495 shares include:

   (a) the number of shares of 53,603,855 held by Mr. Cheung Ngan;

   (b) the underlying shares of 1,270,000 from the Share Options granted; and

   (c) the number of shares of 22,258,640 held by Faith Profit Holding Limited, which was wholly owned by Mr. Cheung Ngan.

2. The 1,000 shares represent the indirect interest in TGLP, which is 60% indirectly held by the Company and hence is an associated corporation. The 20% beneficial interest in TGLP is held by Catania Copper (Chile) Limited. Catania Copper (Chile) Limited is 40% held by Great Base Holdings Limited and 60% held by Catania Mining Limited. Catania Mining Limited is 55% held by CM Universal Corporation. Faith Profit Holding Limited held 50% interest in Great Base Holdings Limited. Mr. Cheung Ngan held 100% interest in Faith Profit Holding Limited and 51% interest in CM Universal Corporation.

3. Being options to acquire the Shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company and their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors, the persons or companies (other than the Directors and the chief executives of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out below:

Name of substantial Shareholders	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
Entrust Limited	Beneficial owner	98,272,751 *(Note)*	10.59%
Mr. Chan Tok Yu	Interest of controlled corporation	98,272,751 *(Note)*	10.59%
Ms. Siu Kwan	Interest of controlled corporation	98,272,751 *(Note)*	10.59%

Note: Entrust Limited is controlled as to 34% by Mr. Chan Tok Yu, 25% by Ms. Chan Hoi Ying (executive director of the Company), 25% by Mr. Chan Hin Yeung and 16% by Ms. Siu Kwan. Mr. Chan Tok Yu's interest is held by Ms. Siu Kwan as a trustee. Accordingly, Mr. Chan Tok Yu and Ms. Siu Kwan are deemed to be interested in the shares in which Entrust Limited is interested by virtue of the SFO.

Save as disclosed above, the Directors are not aware of any other persons or companies (other than the Directors and the chief executive of the Company) who/which had interests or short positions in the Shares or underlying Shares of the Company, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors were interested in any business which competed or was likely to compete directly or indirectly with the businesses of the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSET

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 March 2024, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this Prospectus and which was significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

(a) Litigation against Guangxi Weiri

On 9 December 2022, a contractor in Guangxi ("**Guangxi Contractor**") has commenced an arbitration against Guangxi Weiri (the "**Arbitration**"). The Guangxi Contractor applied to the People's Court of Qingxiu District Nanning Municipality (the "**Qingxiu Court**") requesting Guangxi Weiri for the payment of the contract sum and respective interest in the aggregate amount of approximately RMB2.5 million in relation to a construction and exploration contract entered into by Guangxi Weiri and the Guangxi Contractor in December 2014. On 13 April 2023, the first hearing was held by the Qingxiu Court in relation to the Arbitration. On 25 May 2023, the Guangxi Contractor applied to the Qingxiu Court for the judicial preservation of assets of Guangxi Weiri in the amount of approximately RMB2.5 million.

Pursuant to the notice from the Qingxiu Court dated 12 June 2023, which was received by the management of the Company on 5 July 2023, the mining rights of the glauberite mine (the "**Glauberite Mine**") held by Guangxi Weiri (the "**Mining Rights**") were frozen for judicial preservation (the "**Preservation**") in relation to the Arbitration for a period of three years from 26 May 2023 to 26 May 2026. On 30 June 2023, the Group received the decision from the Qingxiu Court that ordered Guangxi Weiri to pay the Guangxi Contractor RMB0.9 million plus interest. The Company has consulted its legal adviser and understands that (i) the Preservation only prohibits the change of legal title of the Mining Rights by Guangxi Weiri, but does not affect the rights entitled by Guangxi Weiri under the Mining Rights, including the business operations and exploration or exploitation activities of the Glauberite Mine; and (ii) the Preservation of the Mining Rights will be lifted immediately in the event the Company settles the RMB0.9 million plus interest in accordance with the decision of the Qingxiu Court for the Arbitration. As such, the Company considers there are no legal obstacle in relation to the development of the Glauberite Mine with the Mining Rights. As at 31 March 2024, an estimated amounted of approximately RMB1,583,000 has been provided and included in the account of "other payables and accruals in the financial statement of the Company".

(b) Litigation against Wise Goal

On 3 August 2021, the Group received a notice from the Intermediate People's Court of Nanning Municipality (the "**Nanning Court**") dated 27 July 2021. Pursuant to this notice, Mr. Zhou Bo as plaintiff has commenced an action at the Nanning Court against Wise Goal Enterprises Limited ("**Wise Goal**") as the defendant, seeking, among others, for payment by Wise Goal of its nonpaid up share capital to Guangxi Weiri ("**Zhou's Action**") amounting RMB21.7 million (the "**Litigation**"). The plaintiff also applied to the Nanning Court for the equity interest in Guangxi Weiri to be judicially preserved (the "**Property Preservation**"). The Board is of the view that Zhou's Action is frivolous or vexatious as it is inconsistent with the Company's understanding of the current arrangement of paying up share capital of Guangxi Weiri by Wise Goal, as agreed among the shareholders of Guangxi Weiri. Hence the Board considered that no impairment on the investment held in Wise Goal is required. In order to defend the Company's interest, the Company has been seeking legal advice from the PRC legal adviser to actively respond to Zhou's Action. The court hearings were held on 21 October 2021 and 26 November 2021 and the Group received the decision from the Nanning Court on 13 January 2023, which ordered Wise Goal to complete the non-paid up share capital of RMB21.7 million and to reimburse Mr. Zhou Bo RMB1.5 million (the "**Decision**"). On 3 February 2023, an appeal has been lodged against such Decision, which was subsequently dismissed on 27 June 2023 by the Higher People's Court of Guangxi with the Decision upheld. In October 2023, an application of re-examination has been submitted to The Supreme People's Court of the PRC and the first court hearing was held on 20 May 2024. Up to the Latest Practicable Date, the Group has not received the court decision. The Board will closely monitor the cases as mentioned above and evaluate its impact to the Group.

As at the Latest Practicable Date, save as disclosed above, neither the Company nor any member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

8. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this Prospectus:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountant

As at the Latest Practicable Date, the above expert had given and had not withdrawn their written consent to the issue of this Prospectus, with the inclusion of the references to their name and/or their opinion or report in the form and context in which they are included.

As at the Latest Practicable Date, the above experts did not have any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group, nor did it have any interest, direct or indirect, in any assets which had, since 31 March 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contract entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the issue of this Prospectus and are or may be material:

(a) the settlement agreement dated 25 October 2022 entered into between Chongqing Suitong and CQ Planning and Natural Resources Bureau in relation to the termination of the Land Use Rights Agreement and the return of the Land Use Rights to CQ Planning and Natural Resources Bureau;

(b) the sale and purchase agreement dated 23 November 2022 entered into between the Company (as the vendor) and Nordicon Group DMCC (as the purchaser) in relation to the disposal of the 3,238 shares of Quantron AG;

(c) the sale and purchase agreement dated 2 June 2023 entered into between China Dynamics New Energy Technology Company Limited (中國動力新能源科技有限公司) (as the vendor), Chongqing Xinying Yuanjian Machinery Manufacturing Co., Ltd. (重慶鑫贏原鍵機械製造有限公司) (as the purchaser), Chongqing Sinocop New Energy Vehicle Technology Company Limited* (重慶中銅新能源汽車技術有限公司) (as the target company) and the Company (as the guarantor), in relation to the disposal of the entire shares of Chongqing Sinocop New Energy Vehicle Technology Company Limited* (重慶中銅新能源汽車技術有限公司);

* *For identification purposes only*

(d) the loan agreement dated 12 March 2024 entered into between the Company (as the borrower) and S.C.I SATO EV (as the lender) in relation to the advance of a loan facility of EUR594,339 (equivalent to approximately HK$5,082,000) for a period of three months commencing from the disbursement date of the loan; and

(e) the Placing Agreement.

Save as disclosed above, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any other its subsidiaries within two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date.

10. CORPORATE INFORMATION

Executive Directors	Mr. Cheung Ngan *(Chairman and Chief Executive Officer)* Ms. Chan Hoi Ying
Independent non-executive Directors	Mr. Chan Francis Ping Kuen Mr. Lee Kwok Leung Dato' Tan Yee Boon
Authorised representatives	Ms. Chan Hoi Ying Mr. Leung Wai Chun *(member of the Hong Kong Institute of Certified Public Accountants)*
Company secretary	Mr. Leung Wai Chun *(member of the Hong Kong Institute of Certified Public Accountants)*
Business address of all the Directors and senior management	46th Floor, United Asia Finance Centre 333 Lockhart Road, Wanchai, Hong Kong
Registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Principal place of business in Hong Kong	46th Floor, United Asia Finance Centre 333 Lockhart Road Wanchai, Hong Kong

Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited, 17th Floor, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	Bank of Communications Co., Ltd Unit B B/F & G/F, Unit C G/F Wheelock House 20 Pedder Street Central, Hong Kong
	Hang Seng Bank Limited 83 Des Voeux Road Central Central, Hong Kong
Auditor	BDO Limited Certified Public Accountants Registered Public Interest Entity Auditor 25th Floor, Wing On Centre 111 Connaught Road Central Sheung Wan, Hong Kong

11. PARTIES INVOLVED IN THE RIGHTS ISSUE

The Company	Ev Dynamics (Holdings) Limited 46th Floor, United Asia Finance Centre 333 Lockhart Road Wanchai, Hong Kong
Reporting accountant of the Company	ZHONGHUI ANDA CPA Limited Enterprise Square V Tower 2 38 Wang Chiu Road Kowloon Bay, Hong Kong
Financial adviser to the Company	Donvex Capital Limited Unit 2502, 25/F., Carpo Commercial Building 18-20 Lyndhurst Terrace Central, Hong Kong
The Placing Agent	Sorrento Securities Limited Room 1208, 12/F, Wing On Centre 111 Connaught Road Central Sheung Wan, Hong Kong

12. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Cheung Ngan, aged 67, joined the Group in March 1998 and is responsible for the development of corporate strategies, corporate planning, marketing and management functions of the Group. He has over 30 years' working experience in corporate management and investments in the PRC.

Ms. Chan Hoi Ying, aged 37, joined the Company in 2014 and was appointed as an executive director of the Company in 2016. She holds a Master's of Actuarial Practice from Macquarie University in Australia. She had worked for the audit department of Messrs. RSM Hong Kong for several years.

Independent Non-executive Directors

Mr. Chan Francis Ping Kuen, aged 65, was appointed as an independent non-executive director of the Company in September 2004. He holds a Bachelor's Degree in economics from the University of Sydney in Australia. He is a member of the Chartered Accountants Australia and New Zealand and the Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in auditing, accounting and financial management and previously worked for an international accounting firm and a number of companies listed in Hong Kong and the United States. He is currently an executive director of Carrianna Group Holdings Company Limited, the shares of which are listed on the Main Board of the Stock Exchange.

Dato' Tan Yee Boon, aged 49, was appointed as an independent non-executive director of the Company in June 2016. He holds a Bachelor of Laws degree from the University of Glamorgan, United Kingdom. He holds a Certificate of Legal Practice from the Legal Qualifying Board of Malaysia. He is currently practicing as an advocate and solicitor of the High Court of Malaya and is also a member of the Bar Council of Malaysia. He is now a partner of Messrs. David Lai & Tan, a firm of advocates and solicitors in Malaysia. He possesses over 20 years of extensive experience in the field of legal and corporate practice.

Mr. Lee Kwok Leung, aged 70, was appointed as an independent non-executive director of the Company on 16 November 2021. He has over 20 years of experience in asset management or professional and institutional investors. Mr. Lee has extensive experience in portfolio construction, portfolio management, risk assessment and investment due-diligence. He was the managing director of BOCI Direct Investment Management Limited from 1992 to 1999, where he was responsible for the overall management of the private equity fund. Mr. Lee is the representative and responsible officer of Success Advance Investments Limited, a Type 4 and 9 regulated entity registered with the SFC.

Business address of the Directors and senior management

The business address of the Directors and the senior management is the same as the Company's head office and principal place of business in Hong Kong at 46th Floor, United Asia Finance Centre, 333 Lockhart Road, Wanchai, Hong Kong.

13. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and the placing of all Unsubscribed Shares and the NQS Unsold Shares by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be approximately HK$1.0 million, which are payable by the Company.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. 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 section 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

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

A copy of each of the Prospectus Documents, and the written consent as referred to in the paragraph headed "8. QUALIFICATIONS AND CONSENTS OF EXPERTS" in this appendix, have been delivered to the Registrar of Companies in Hong Kong for registration as required by section 342C of the Companies (WUMP) Ordinance.

16. 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 (http://evdynamics.com) for 14 days from the date of this Prospectus:

(a) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group, the text of which is set out in appendix II to this Prospectus;

(b) the material contracts, referred in the paragraph headed "9. MATERIAL CONTRACTS" in this appendix; and

(c) the written consents from the expert as referred to in the section headed "8. QUALIFICATIONS AND CONSENTS OF EXPERTS" in this appendix.

17. MISCELLANEOUS

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

(b) The English text of this Prospectus shall prevail over the respective Chinese text in the case of inconsistency.