
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares in Youth Champ Financial Group Holdings Limited, you should at once hand the Prospectus Documents, to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both 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 their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed “17. Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32). The Registrar of Companies in Hong Kong, the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Warning of the Risks of Dealing in the Shares and nil-paid Rights” in the “Letter from the Board” of this Prospectus.

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 this Prospectus.



優創金融集團控股有限公司
YOUTH CHAMP FINANCIAL GROUP HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1160)

**RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE ON A NON-FULLY UNDERWRITTEN BASIS**

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

The Rights Issue will proceed on a non-fully underwritten basis. Save for the Underwritten Shares, there is no requirement for a minimum level of subscription. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right in its absolute discretion to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. Such events are set out in the section headed “Termination of the Underwriting Agreement” of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

Dealings in the Shares have been on an ex-rights basis from Tuesday, 18 January 2022. Dealings in the Rights Shares in their nil-paid form will take place from Monday, 28 February 2022 to Monday, 7 March 2022 (both dates inclusive).

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Thursday, 10 March 2022. The procedures for acceptance and transfer of the Rights Shares are set out in the section headed “Procedures for acceptance and payment or transfer” in the “Letter from the Board” of this Prospectus.

24 February 2022

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meaning:

“Announcements”	the announcements of the Company dated 6 January 2022, 26 January 2022 and 16 February 2022 in relation to the Rights Issue
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Youth Champ Financial Group Holdings Limited (stock code: 1160), a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company

DEFINITIONS

“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“FIEs”	foreign investment enterprises in the PRC (including sino-foreign equity joint venture enterprises, sino-foreign cooperative joint venture enterprises and wholly foreign-owned enterprises established in the PRC)
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Investment Manager”	INV Advisory Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Last Trading Day”	6 January 2022, being the last trading day of the Shares on the Stock Exchange immediately prior to the publishing of the announcement of the Company dated 6 January 2022 in relation to the Rights Issue
“Latest Practicable Date”	17 February 2022, being the latest practicable date before the printing of this Prospectus for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Thursday, 10 March 2022 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Compensatory Arrangements”	5:00 p.m. on Friday, 25 March 2022, being the latest time for the Placing Agent to determine the list of Placees and to notify the Company and the Underwriter of the results of the Placing
“Latest Time for Termination”	5:00 p.m. on the first Business Day immediately after the Latest Time for Acceptance, or such later time as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 March 2022 or such later date as may be agreed between the Placing Agent and the Company in writing
“Net Asset Value”	the consolidated net asset value of the Company calculated in accordance with the provisions of the bye-laws of the Company
“Net Gain”	any premiums paid by the placees over the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements
“No Action Shareholders”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong

DEFINITIONS

“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	professional investor(s) as defined in Schedule 1 of the SFO, who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the Placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Gransing Securities Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 7.21(1)(b) of the Listing Rules
“Placing Agreement”	the placing agreement dated 6 January 2022 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis
“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as described in the section headed “The Placing Agreement” in this Prospectus

DEFINITIONS

“Placing Period”	a period commencing from the Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares, which is expected to be Friday, 18 March 2022, and ending at the Latest Time for Compensatory Arrangements
“Posting Date”	Thursday, 24 February 2022 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and PAL
“Prospectus Posting Date”	the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Wednesday, 26 January 2022 or such other date as may be agreed between the Company and the Underwriter, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Boardroom Share Registrars (HK) Limited, the Company’s Hong Kong branch share registrar and transfer office
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 86,400,000 new Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
“SFC”	Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.68 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
“Underwriter”	Gransing Securities Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement entered into between the Company and the Underwriter on 6 January 2022 in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	21,900,000 Rights Shares, being the maximum number of Rights Shares to be partially-underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Unsubscribed Arrangements”	the placement of Unsubscribed Rights Shares by the Placing Agent pursuant to the terms of the Placing Agreement, details of which are set out in the section headed “Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares, and the Compensatory Arrangements” in this Prospectus
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event

2022

First day of dealings in nil-paid Rights Shares	9:00 a.m. on Monday, 28 February
Latest time for splitting of PALs	4:00 p.m. on Wednesday, 2 March
Latest time of dealings in nil-paid Rights Shares	4:00 p.m. on Monday, 7 March
Latest time for lodging transfer of nil-paid Rights Shares in order to qualify for payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	4:00 p.m. on Thursday, 10 March
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 10 March
Latest Time for Termination of the Underwriting Agreement and for the Rights Issue to become unconditional	5:00 p.m. on Friday, 11 March
Announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangements	Thursday, 17 March
Commencement of placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Friday, 18 March
Latest time of placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Friday, 25 March
Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to become unconditional	Friday, 25 March
Announcement of results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights Share under the Compensatory Arrangements)	Monday, 28 March

EXPECTED TIMETABLE

Event

2022

Refund cheques, if any, to be despatched (if the Rights Issue does not proceed)	On or before Tuesday, 29 March
Certificates for fully paid Rights Shares to be despatched	Tuesday, 29 March
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 30 March
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	Wednesday, 30 March
Last day for the designated broker to provide for odd lot matching.	Friday, 22 April
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Monday, 25 April

All times and dates in this Prospectus refer to Hong Kong local times and dates.

The expected timetable is subject to change, and any such change will be further announced by the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if:

1. typhoon signal No. 8 (or above);
2. “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or
3. a “black” rainstorm warning
 - (a) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (b) is/are 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 warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates of events subsequent to the Latest Time for Acceptance mentioned in this section may be affected. Announcement will be made by the Company in such event as soon as possible.

LETTER FROM THE BOARD



優創金融
YOUTH CHAMP FINANCIAL

優創金融集團控股有限公司
YOUTH CHAMP FINANCIAL GROUP HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1160)

Executive Director:
Ms. Chan Mei Yan

Non-executive Directors:
Mr. Yip Hoi Chung (*Vice Chairman*)
Mr. Lee Hung Yuen

Independent non-executive Directors:
Mr. Xu Yanfa (*Chairman*)
Ms. Ma Yin Fan
Ms. Yan Yan

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

*Head office and principal place of
business in Hong Kong:*
Unit 503, 5th Floor
Greenfield Tower
Concordia Plaza
1 Science Museum Road
Kowloon
Hong Kong

24 February 2022

*To: the Qualifying Shareholders and, for information purpose only,
the Excluded Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE ON A NON-FULLY UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcements in relation to the Rights Issue. On 6 January 2022, the Company proposed to raise up to approximately HK\$58,752,000 on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing up to 86,400,000 Rights Shares at the Subscription Price of HK\$0.68 per Rights Share. The Subscription Price is

LETTER FROM THE BOARD

payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue, certain financial information and other general information on the Group.

RIGHTS ISSUE

The Board proposed to raise up to approximately HK\$58,752,000 on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing up to 86,400,000 Rights Shares at the Subscription Price of HK\$0.68 per Rights Share.

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held at the close of business on the Record Date
Subscription Price	:	HK\$0.68 per Rights Share
Number of Shares in issue as at the Record Date	:	172,800,000 Shares
Number of Rights Shares	:	Up to 86,400,000 Rights Shares with an aggregate nominal value of approximately HK\$8,640,000 but not fewer than 21,900,000 Rights Shares with an aggregate nominal value of approximately HK\$2,190,000
Number of issued shares of the Company upon completion of the Rights Issue	:	Up to 259,200,000 Shares but not fewer than 194,700,000 Shares assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the completion of the Rights Issue
Amount to be raised	:	Up to approximately HK\$58,752,000 but not less than approximately HK\$14,982,000 before expenses

LETTER FROM THE BOARD

As at the Record Date and the Latest Practicable Date, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.3% of the Company's issued share capital as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before completion of the Rights Issue.

Non-fully underwritten basis

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

As the Rights Issue will proceed on a non-fully underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) 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 to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) 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 with the note to Rule 7.19(5) of the Listing Rules.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.68 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 50% to the closing price of HK\$1.36 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 60% to the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (c) a discount of approximately 50% to the theoretical ex-rights price of approximately HK\$1.36 per Share based on the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a discount of approximately 60% to the average of the closing prices of approximately HK\$1.70 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (e) a discount of approximately 60% to the average of the closing prices of HK\$1.70 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day.

The Subscription Price was determined by the Company with reference to, among other things, the recent market price and trading liquidity of the Shares, the prevailing market conditions, the latest financial position of the Group and the amount of funds and capital needs and the reasons for the Rights Issue as set out in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in this Prospectus. Taking into account (i) the latest net liability financial position of the Group which has been adversely affected by the market sentiment and uncertainties in the financial market in Hong Kong over the past year; (ii) the outbreak of novel coronavirus pneumonia intensifying the current uncertainties and market sentiment in the financial market in Hong Kong and contributing to the decline in the investment trends among investors; and (iii) the thin trading liquidity of the Shares which is reflected by the fact that the average daily trading volume of the Shares was zero in all of the months from January 2021 to January 2022 with the exception of June 2021, the Board considered it appropriate to set the Subscription Price at a relatively larger discount to the recent closing prices of the Shares aiming at lowering the further investment cost of the Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising possible dilution impact.

All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to their existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares.

LETTER FROM THE BOARD

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 33.3%. The theoretical dilution effect of the Rights Issue is approximately 20% which is below 25% as required under Rule 7.27B of the Listing Rules.

The Directors are of the view that the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders, and that all Qualifying Shareholders are treated equally. The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) is estimated to be approximately HK\$0.65, if fully subscribed.

Qualifying Shareholders

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

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company. **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Undertaking

As at the Latest Practicable Date, the Company has not received any undertaking from any Substantial Shareholder of any intention as to whether such Shareholder will take up his/her/its entitlements under the Rights Issue.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

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

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. Overseas Shareholders may not be eligible to take part in the Rights Issue. The Company has, in compliance with Rule 13.36(2)(a) of the

LETTER FROM THE BOARD

Listing Rules, sought legal advice regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders.

Based on the register of members of the Company as at the Record Date, there are 2 Overseas Shareholders with registered address located in the PRC, which are interested in an aggregate of 200,000 Shares, representing approximately 0.1% of the Company's issued share capital as at the Record Date.

Taking into account the advice provided by the Company's legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange do not make it necessary or expedient to exclude the Overseas Shareholders with registered address located in the PRC from the Rights Issue. Therefore, such Overseas Shareholders are not Excluded Shareholders and the Rights Issue will be extended to such Overseas Shareholders.

It is the responsibility of the Qualifying Shareholders including 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 connection therewith.

The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only, but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form during the period from 9:00 a.m. on Monday, 28 February 2022 to 4:00 p.m. on Monday, 7 March 2022 if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Excluded Shareholders.

In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any ES Unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing Arrangement will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

LETTER FROM THE BOARD

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

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.

Distribution of the Prospectus Documents

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders on the Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Excluded Shareholders (if any). The Company will not send any PALs to the Excluded Shareholders (if any).

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

Receipt of this Prospectus and/or a PAL or the crediting of nil paid rights to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL or whose stock account in CCASS is credited with nil paid rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil paid rights to any person in, into or from, any such jurisdiction. If a PAL or a credit of nil paid rights in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL or transfer the nil paid rights in CCASS unless the Company determines that such action would not violate any applicable legal or regulatory requirements.

Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

LETTER FROM THE BOARD

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the written consent of the Company.

Beneficial owners of the Shares who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil paid rights or fully-paid Rights Shares or to take up any entitlements to nil paid rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Status of Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on or before Tuesday, 29 March 2022 by ordinary post to the allottees, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Shares.

Fractions of the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

LETTER FROM THE BOARD

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any), the Company will arrange odd lot matching services during Wednesday, 30 March 2022 to Friday, 22 April 2022 (both dates inclusive). Shareholders who wish to take advantage of this service should contact Gransing Securities Co., Limited at Unit 2508, 25/F, Cosco Tower, 183 Queen's Road Central, Hong Kong or at telephone number (852) 3162 6838 during office hours (i.e. 9:30 a.m. to 4:00 p.m.) of 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 who are in doubt about this service are recommended to consult their professional advisors.

Application for listing

The Company has applied 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. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 100,000 Shares in one board lot. No part of the equity or debt security of the Company is listed or dealt in or listing or permission to deal in is being or is proposed to be sought on any stock exchange other than the Stock Exchange.

Rights Shares will be eligible for admission in CCASS

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, 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 dealings 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 stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

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

LETTER FROM THE BOARD

Taxation

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

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, by not later than 4:00 p.m. on Thursday, 10 March 2022 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed “Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” in “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “YOUTH CHAMP FINANCIAL GROUP HOLDINGS LIMITED” and crossed “ACCOUNT PAYEE ONLY”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 10 March 2022, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage. Qualifying Shareholder(s) must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to Qualifying Shareholder(s) only if the overpaid amount is HK\$100 or above. No receipt will be issued in respect of any PAL and/or relevant remittance received.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Wednesday, 2 March 2022 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

LETTER FROM THE BOARD

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully.

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

Cheques and banker's cashier orders

All cheques and banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or banker's cashier order in payment of the Rights Shares applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. If any cheque or banker's cashier order is not honoured upon first presentation, the PAL (as the case may be) is liable to be rejected and/or deemed invalid by the Company in its absolute discretion, and in the case of an acceptance of a Qualifying Shareholder's assured entitlement all such assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

Beneficial owners' instructions to their Intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or "split" their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the "Expected Timetable" in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or "splitting" in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

LETTER FROM THE BOARD

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares, and the Compensatory Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium (net of expenses) over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis.

The Placing Agent will, on a best effort basis, procure, by not later than 5:00 p.m., on Friday, 25 March 2022, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price at least equal to the Subscription Price. Subject to the terms set out in the Underwriting Agreement, if and to the extent that at the Latest Time for Compensatory Arrangements, there shall be any Unsubscribed Rights Shares and ES Unsold Rights Shares which have not been successfully placed out by the Placing Agent under the Compensatory Arrangements, then the Underwriter shall subscribe or procure subscription for a maximum of 21,900,000 Rights Shares pursuant to the allocations under the terms set out in the Underwriting Agreement.

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

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

It is proposed that Net Gain to any of the No Action Shareholder(s) or Excluded Shareholder(s) mentioned in (i) to (ii) above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

LETTER FROM THE BOARD

THE PLACING AGREEMENT

On 6 January 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date : 6 January 2022 (after trading hours)

Issuer : the Company

Placing Agent : Gransing Securities Co., Limited was appointed as the Placing Agent to procure, on a best effort basis, Placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.

The Placing Agent confirmed that it is independent of and not connected with the Company and its connected persons or any of their respective associates.

Placing price of each of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be) : The placing price of each of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be) shall be at least equal to the Subscription Price.

The determination of the final price is dependent on the demand and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares during the process of placement.

Commission : 3.5% of the amount which is equal to the Placing Price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent 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.

LETTER FROM THE BOARD

Placees : The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the Placee(s) (i) who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies); and (ii) who shall each be a professional investor as defined in Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the subscription size of each Placee shall be at least HK\$500,000.

The Placing will not have any implication under the Takeovers Code and no Shareholder will be under an obligation to make a general offer under the Takeovers Code. In addition, the Company will take all appropriate steps to ensure that the public float requirements under Rule 8.08(1)(a) of the Listing Rules be fulfilled by the Company at all times.

Ranking of Unsubscribed Rights Shares and the ES Unsold Rights Shares : Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

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.

LETTER FROM THE BOARD

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any 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. As at the Latest Practicable Date, none of the above conditions precedent have been fulfilled or waived by the Company or the Placing Agent.

Termination : The Placing Arrangement shall end on 25 March 2022 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. 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 six Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment 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.

LETTER FROM THE BOARD

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the 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 fulfilment 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 for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Company and the Placing Agent 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 condition. The Directors note that the placing commission charged by the placing agents in the market in recent placing transactions are mostly between 1% and 5% and the placing commission of 3.5% payable by the Company lies within the range. The Directors consider that the placing commission charged by the Placing Agent is no less favourable to the Company than the market rate in recent placing transactions and are therefore of the view that the terms of Placing Agreement for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Directors consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

LETTER FROM THE BOARD

THE UNDERWRITING AGREEMENT

On 6 January 2022 (after trading hours), the Underwriter and the Company entered into the Underwriting Agreement, pursuant to which the Underwriter has conditionally agreed to underwrite on a non-fully underwritten basis up to 21,900,000 Rights Shares. Material terms of the Underwriting Agreement are set out below:

Date:	6 January 2022 (after trading hours)
Underwriter:	Gransing Securities Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and its ordinary course of business includes underwriting of securities. As such, the Underwriter complies with Rule 7.19(1)(a) of the Listing Rules
	To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties
Total number of Rights Shares underwritten by the Underwriter:	The Underwritten Shares, i.e. up to 21,900,000 Rights Shares
Commission:	3.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares (i.e. 21,900,000 Rights Shares) committed to be underwritten, subscribed for or procured subscription for by the Underwriter

The terms of the Underwriting Agreement were determined after arm's length negotiations between the Company and the Underwriter, with reference to, among other things, the recent market price and trading liquidity of the Shares, the prevailing market conditions, the latest financial position of the Group and the funding and capital needs of the Company as set out in the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" in this Prospectus.

The Directors are of the view that the terms of the Underwriting Agreement are fair and reasonable and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (b) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus and the PALs, duly certified by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Board (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the Listing Rules by no later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue by the Prospectus Posting Date;
- (d) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and
- (e) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

The Company shall use all reasonable endeavours to procure the fulfilment of all the conditions precedent by the Latest Time for Termination or such other date as the Company and the Underwriter may agree. The conditions precedent, other than condition (e) above which can only be waived by the Underwriter, are incapable of being waived. If any of the conditions precedent is not satisfied or waived (as the case may be) by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. As at the Latest Practicable Date, none of the conditions as stated above has been satisfied.

As the Rights Issue is subject to the above conditions, it may or may not proceed.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

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

LETTER FROM THE BOARD

- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lockout; or
- (e) any other material adverse change in the business or the financial or trading position or prospects of the Company whether or not ejusdem generis with any of the foregoing; or
- (f) the Prospectus Documents in connection with the Rights Issue when published contain information (either as to business prospects or the financial condition of the Company or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Company as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a reasonably prudent investor not to apply for its assured entitlements of Rights Shares under the Rights Issue; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

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

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 172,800,000 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than full acceptance of the Rights Shares by Renown Future Limited, Treasure Isle Global Limited and Dr. Chan Man Fung) and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been taken up by the Underwriter (on a non-fully underwritten basis):

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than full acceptance of the Rights Shares by Renown Future Limited, Treasure Isle Global Limited and Dr. Chan Man Fung) and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been taken up by the Underwriter (on a non-fully underwritten basis)	
	Number of		Number of		Number of		Number of	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
Renown Future Limited (Notes 1 and 3)	88,129,080	51.00	132,193,620	51.00	88,129,080	34.00	132,193,620	51.00
Treasure Isle Global Limited (Notes 2 and 3)	25,954,878	15.02	38,932,317	15.02	25,954,878	10.01	38,932,317	15.02
Dr. Chan Man Fung (Note 3)	14,916,042	8.63	22,374,063	8.63	14,916,042	5.75	22,374,063	8.63
Sub-total	129,000,000	74.65	193,500,000	74.65	129,000,000	49.76	193,500,000	74.65

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	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than full acceptance of the Rights Shares by Renown Future Limited, Treasure Isle Global Limited and Dr. Chan Man Fung) and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been taken up by the Underwriter (on a non-fully underwritten basis)	
	Number of		Number of		Number of		Number of	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
Underwriter	-	-	-	-	-	-	21,900,000	8.45
Independent Placées	-	-	-	-	86,400,000	33.33	-	-
Other public shareholders	43,800,000	25.35	65,700,000	25.35	43,800,000	16.90	43,800,000	16.90
Sub-total	43,800,000	25.35	65,700,000	25.35	130,200,000	50.23	65,700,000	25.35
Total (Note 4)	172,800,000	100.00	259,200,000	100.00	259,200,000	100.00	259,200,000	100.00

Notes:

- As at the Latest Practicable Date, the entire issued capital of Renown Future Limited is beneficially owned as to 20% by Mr. Wang He, 20% by Ms. Wang Biao, 20% by Mr. Yan Xu, 20% by Mr. Ji Qiang and 20% by Mr. He Luling, who is also the sole director of Renown Future Limited.
- Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li Bohan and 50% by Mr. Zhang Jianming. Each of Mr. Li Bohan and Mr. Zhang Jianming is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
- In 2017, Blue Canary Consulting Group Limited, a company which was then wholly-owned by Dr. Chan Man Fung, together with Renown Future Limited and Treasure Isle Global Limited (collectively, the “**Concert Party Group**”) made a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired and subscribed by the Concert Party Group and parties acting in concert with it) (the “**General Offer**”). The General Offer was completed on 26 May 2017.
- The percentage of the Shares are rounded to the nearest two decimal places, and the total number of the percentages may not be equal to 100% due to rounding.

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The Placing will not have any implication under the Takeovers Code and no Shareholder will be under an obligation to make a general offer under the Takeovers Code. In addition, the Company will take all appropriate steps to ensure that the public float requirements under Rule 8.08(1)(a) of the Listing Rules be fulfilled by the Company at all times.

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

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment company listed on the Main Board of the Stock Exchange under Chapter 21 of the Listing Rules. The principal activity of the Company is investment holding and the Company is principally engaged in investments in securities listed on recognised stock exchanges and unlisted investments with potential for earning growth and capital appreciation. The objective of the Company is to achieve earnings in the form of short to medium term capital appreciation through investing in a diversified portfolio of investments in listed or unlisted enterprises incorporated or established and/or conducting business in Hong Kong and PRC.

It is estimated that the Company will raise gross proceeds of approximately HK\$58,752,000 from the Rights Issue and the relevant expenses would be approximately HK\$2,600,000, which include placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The estimated net proceeds from the Rights Issue will accordingly be approximately HK\$56,152,000 (equivalent to a net price of approximately HK\$0.65 per Rights Share), which will be used as follows:

- (i) approximately HK\$5,100,000 for repayment in full of a loan and related interests from a licensed money lender;
- (ii) approximately HK\$41,642,000 for future investments and business development pursuant to the investment objectives of the Company; and
- (iii) approximately HK\$9,410,000 for general working capital of the Company.

Regarding the use of net proceeds mentioned in (ii) above, it is the present intention of the Board that the funds shall be invested in value stocks trading at lower valuation due to recent market sentiment but with growth potential, subject to further evaluation and advice from the Company's investment manager.

Among the various sectors in the Greater China region, the Company has identified the healthcare & pharmaceutical sector, bio-technology sector, telecommunication sector and energy sector as sectors with high growth prospects in 2022, with the former two sectors benefiting from the coronavirus pneumonia and governmental subsidies, and the latter ones being in

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average undervalued. Apart from looking into the aforementioned potential investments, the Board also agrees on the strategy of seeking investment opportunities including but not limited to undervalued listed and unlisted securities, distressed assets, non-performing assets and non-performing asset management companies for medium term capital appreciation purpose. It is the intention of the Company to seek such investment opportunities because the Board believes some of the assets in the aforementioned categories are undervalued, and a cautious selection of such investment opportunities by the Company could bring good return to investors by capital appreciation. In addition, the Investment Manager has comprehensive experience in handling investments in non-performing assets in the Mainland and can provide useful advice to the Company where necessary.

As at 30 September 2021, the Company recorded a net liability per Share of HK\$0.04 with a cash amount of less than HK\$1 million. Based on such a financial position, the Company could neither make any negotiation nor enter into any agreement for investment. Therefore, as of the Latest Practicable Date, the Company did not have any specific investment target and was not in any negotiation with any third party regarding any potential investment target. Nevertheless, for any investment proposal brought up by our investment team post Rights Issue, the Board would take careful consideration to ensure all prospective investments would align with the investment objectives of the Company of attaining risk-adjusted return in the medium term through diversified investment operations. The Company proposes to utilize (i) at least HK\$24,985,200, or 60% of the HK\$41,642,000 raised from the Rights Issue, in its investment portfolio by the end of 2022; and (ii) the remainder of the HK\$41,642,000 raised from the Rights Issue, in its investment portfolio by the end of the first quarter of 2023.

Whilst the Hang Seng Index corrected from the peak of 31,183 points to less than 25,000 points as of the Latest Practicable Date, the Company is confident that it is a promising time for it to start a new diversified portfolio through cautious investment decisions and prudent investment allocations. By raising capital through the Rights Issue, the Company wishes to aggregate its Shareholders' capital for achieving this goal and targeting to deliver lucrative returns to its Shareholders.

In the event that there is an undersubscription of the Rights Issue, the Company will apply the net proceeds in the following order of priority: (1) repayment in full of the loan and related interests from the licensed money lender as set out in (i) above; (2) general working capital of the Company as set out in (iii) above; and (3) the Company's future investment and business development as set out in (ii) above for the remainder of the net proceeds.

Based on the financial budget, the net proceeds are expected to be utilised for the above mentioned proposed uses within 12 months.

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

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The Company is of the view that debt financing will result in additional interest burden and will further increase the gearing of the Company which is not beneficial to the Company given that the Company incurred a net loss for the six months ended 30 September 2021 and was at a net current liabilities position as at 30 September 2021. The Board considers that financing the funding needs of the Company in the form of equity is a better alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. In the contrary, the Rights Issue will enable the Company to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs. Since the Rights Issue will allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company, the Board considers that raising capital through the Rights Issue is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the Last Trading Day and up to the Latest Practicable Date.

As at the Latest Practicable Date, save for the Rights Issue, the Company has no intention to conduct further fundraising activities involving issue of its securities in 12 months after the completion of the Rights Issue.

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

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed “Termination of the Underwriting Agreement” under the section headed “THE UNDERWRITING AGREEMENT” in this Prospectus).

Accordingly, the Rights Issue may or may not proceed. The Shares have been dealt in on an ex-rights basis from Tuesday, 18 January 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 28 February 2022 to Monday, 7 March 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is

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recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

ADDITIONAL INFORMATION

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

For and on behalf of the Board
Youth Champ Financial Group Holdings Limited
Xu Yanfa
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited financial information of the Group for each of the years ended 31 March 2019, 2020 and 2021 are disclosed in the following annual reports of the Company for the years ended 31 March 2019, 2020 and 2021 respectively which have been published and are available on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.irasia.com/listco/hk/youthchamp):

- (a) the annual report of the Company for the year ended 31 March 2019 published on 10 July 2019 (pages 42 to 98) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0710/lt20190710415.pdf>);
- (b) the annual report of the Company for the year ended 31 March 2020 published on 27 July 2020 (pages 51 to 100) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0727/2020072700417.pdf>);
and
- (c) the annual report of the Company for the year ended 31 March 2021 published on 28 July 2021 (pages 57 to 102) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0728/2021072800788.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2021, 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:

	<i>HK\$'000</i>
Loans from an ultimate holding company, unsecured and unguaranteed	4,007
Loan from a licensed money lender, unsecured and unguaranteed	5,028
	<hr/>
	9,035
	<hr/> <hr/>

Save as aforesaid and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at 31 December 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages and charges, hire purchase commitments, material contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since 31 December 2021; (ii) there has not been any default on repayments or other obligations in any

material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; and (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there have been no material adverse changes in the financial or trading position of the Group since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this Prospectus.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company recorded a net liability value per share of HK\$0.04 as at 30 September 2021 and a half year loss per share of HK\$0.019 for the six months ended 30 September 2021. In September 2021, the Company exited its long-term investment of closed-ended fund and realised approximately HKD906,000.

As at the Latest Practicable Date, Hong Kong has been under the threat of COVID-19 for 24 months. The effect of the epidemic has adversely and thoroughly affected various sectors in the region as well as the Mainland and worldwide. While there is not much sign COVID-19 would come to an end in a short period of time, corporates are striving to co-exist with the epidemic and going through the stage of survival for the fittest.

Hang Seng Index has corrected to 23,398 as at end of 2021, which is more than 20% off from the 52-week high of 31,183 in February 2021. Being a Chapter 21 investment company, the Company aims to establish a risk-reward balanced and well diversified investment portfolio. In this difficult and uncertain era and market situation, the Company believes it is a critical time to start up an investment portfolio for capturing medium term capital gain through cautious selection of undervalued investments. Special attention would be paid to the energy, healthcare and medical, and financial/insurance sectors.

Through the rights issue, the Company hopes that it can gather sufficient capital for attaining its abovementioned investment proposal.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS
OF THE COMPANY**

The following is the unaudited pro forma statement of adjusted net tangible assets of Youth Champ Financial Group Holdings Limited (the “**Company**”) (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the proposed rights issue of up to 86,400,000 new shares of the Company (“**Rights Shares**”) at the subscription price of HK\$0.68 each and on the basis of one new share for every two shares of the Company (“**Shares**”) held by the qualifying shareholders (hereinafter collectively referred to as the “**Rights Issue**”) on the unaudited net tangible assets of the Company as at 30 September 2021 as if the Rights Issue had taken place on 30 September 2021.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited net tangible assets of the Company as at 30 September 2021, as extracted from condensed interim financial information for the six months ended 30 September 2021 set out in the published interim report of the Company, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the net tangible assets of the Company had the Rights Issue been completed as at 30 September 2021 or at any future date.

				Unaudited pro forma adjusted net tangible assets of the Company per Share upon completion of the Rights Issue (Note 4) HK\$
Unaudited net tangible liabilities of the Company as at 30 September 2021 (Note 1) HK\$'000	Estimated net proceeds from the Rights Issue (Note 2) HK\$'000	Unaudited pro forma adjusted net tangible assets of the Company upon completion of the Rights Issue (Note 3) HK\$'000	Unaudited net tangible liabilities of the Company per Share as at 30 September 2021 (Note 3) HK\$	
Based on 86,400,000 Rights Shares to be issued at subscription price of HK\$0.68 per Rights Share				
(6,453)	56,152	49,699	(0.04)	0.19

Notes:

1. The amount of unaudited net tangible liabilities of the Company as at 30 September 2021 is based on the unaudited net liabilities of the Company of approximately HK\$6,453,000 as extracted from the published interim report of the Company for the six months ended 30 September 2021.
2. The estimated net proceeds from the Rights Issue are based on 86,400,000 Rights Shares to be issued on the basis of one (1) Rights Share for every two (2) existing Shares at the subscription price of HK\$0.68 per Rights Share, after deduction of the estimated professional fees and other related expenses of approximately HK\$2,600,000 to be incurred by the Company.
3. The unaudited net tangible liabilities of the Company per Share as at 30 September 2021 is calculated based on the net tangible liabilities of the Company as at 30 September 2021 of HK\$6,453,000 divided by 172,800,000 shares of the Company which represent shares in issue as at 30 September 2021 before completion of the Rights Issue.
4. The unaudited pro forma adjusted net tangible assets of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and 259,200,000 shares in issue upon completion of Rights Issue at 30 September 2021, which comprises (i) 172,800,000 shares in issue as at 30 September 2021 before the Rights Issue and (ii) 86,400,000 Rights Shares to be issued under the Rights Issue.
5. No adjustments have been made to the unaudited pro forma adjusted net tangible assets to reflect any trading results or other transactions of the Company entered into subsequent to 30 September 2021.

(B) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, Crowe (HK) CPA Limited, Certified Public Accountants, Hong Kong, in respect of unaudited pro forma financial information of Youth Champ Financial Group Holdings Limited for the purpose of incorporation in this prospectus.



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF YOUTH CHAMP FINANCIAL GROUP HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Youth Champ Financial Group Holdings Limited (the “**Company**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets of the Company as at 30 September 2021, and related notes as set out in Part A of Appendix II to the prospectus dated 24 February 2022 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Part A of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Company's financial position as at 30 September 2021 as if the proposed rights issue had taken place at 30 September 2021. As part of this process, information about the Company's financial position as at 30 September 2021 has been extracted by the Directors from the Company's financial information for the six months ended 30 September 2021, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

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

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

Reporting Accountant’s Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 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 unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company 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 as at 30 September 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves

performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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

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

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

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 24 February 2022

Yau Hok Hung

Practising Certificate Number P04911

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors and the directors of the Investment Manager 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 and the directors of the Investment Manager, 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 AND OPTIONS

(a) 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 are as follows:

(I) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.10 each	<u>100,000,000</u>
<i>Issued and fully-paid:</i>		
<u>172,800,000</u>	Shares of HK\$0.10 each	<u>17,280,000</u>

(II) Immediately following the completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.10 each	<u>100,000,000</u>
<i>Issued and fully-paid:</i>		
172,800,000	Shares of HK\$0.10 each	17,280,000
<u>86,400,000</u>	Rights Shares to be issued pursuant to the Rights Issue	<u>8,640,000</u>
<u>259,200,000</u>	Shares in issue immediately after completion of the Rights Issue	<u>25,920,000</u>

All of the Rights Shares to be issued will rank *pari passu* in all respects with each other. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

As at the Latest Practicable Date, the Company did not have any outstanding derivatives, options, warrants and convertible securities or other similar rights which are convertible or exchangeable into Shares.

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

(b) Share Options

As at the Latest Practicable Date, the Company did not have any options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

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

3. INTEREST IN SECURITIES

(a) Directors' and chief executive's interests

As at the Latest Practicable Date, as far as the Directors are aware, the Directors, chief executive and their associates had the following interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules:

Name of associated corporation	Name of chief executive	Capacity	Long/short position	Approximate percentage	
				Number of ordinary shares in the associated corporation	of the issued share capital in the associated corporation
Renown Future Limited	Wang Biao	Beneficial owner	Long position	1	20%

Other than as disclosed above, none of the Company's Directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of the SFO as at the Latest Practicable Date.

(b) Interests of substantial shareholders

As at the Latest Practicable Date, as far as the Directors are aware, the Company had been notified of the following substantial shareholders' interests or short positions in the Shares and underlying Shares (representing 5% or more of the Company's issued share capital) which were recorded in the register maintained by the Company under Section 336 of the SFO:

	Name of substantial shareholder	Capacity	Long/short position	Number of shares	Approximate percentage of existing shareholding (Note 4)
1.	Renown Future Limited	Beneficial owner	Long position	88,129,080	51.00%
2.	Treasure Isle Global Limited	Beneficial owner	Long position	25,954,878 (Note 1)	15.02%
3.	Li Bohan ("Mr. Li")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	15.02%
4.	Zhang Jianming ("Mr. Zhang")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	15.02%
5.	Gransing Securities Co., Limited ("Gransing Securities")	Underwriter	Long position	21,900,000 (Note 2)	12.67%
6.	Gransing Financial Group Limited ("Gransing Financial")	Interest of a controlled corporation	Long position	21,900,000 (Note 2)	12.67%
7.	Kwok Shun Tim ("Mr. Kwok")	Interest of a controlled corporation	Long position	21,900,000 (Note 2)	12.67%
8.	Yip Nga Wan ("Ms. Yip")	Interest of spouse	Long position	21,900,000 (Note 3)	12.67%
9.	Dr. Chan Man Fung	Beneficial owner	Long position	14,916,042	8.63%

Notes:

1. Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li and 50% by Mr. Zhang. Each of Mr. Li and Mr. Zhang is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
2. Gransing Securities is a wholly-owned subsidiary of Gransing Financial, which in turn is 56.50% controlled by Mr. Kwok. Accordingly, each of Gransing Financial and Mr. Kwok is deemed to be interested in the 21,900,000 Rights Shares held by Gransing Securities under the SFO.

Pursuant to the terms and conditions of the Underwriting Agreement, Gransing Securities (as the Underwriter) has conditionally agreed to underwrite on a non-fully underwritten basis up to 21,900,000 Rights Shares.
3. Ms. Yip is the spouse of Mr. Kwok. Under the SFO, Ms. Yip is deemed to be interested in the same number of Rights Shares in which Mr. Kwok is interested as mentioned in Note 2 above.
4. The percentage of shareholding is calculated on the basis of 172,800,000 shares in the Company in issue as at the Latest Practicable Date.

Save as disclosed above, as far as the Directors are aware, no other person had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at the Latest Practicable Date.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or might compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct and indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2021, being the date to which the latest published audited financial statements of the Company were made up.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

Save as disclosed below, there had been no contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by members of the Group, entered into by members of the Group after the date falling two years immediately preceding the date of the Announcements and up to the Latest Practicable Date:

- (a) the Investment Management Agreement
- (b) the Placing Agreement
- (c) the Underwriting Agreement

9. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$2,600,000, which are payable by the Company.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	:	Ms. Chan Mei Yan G/F, No. 351, Shek O Village, Shek O Hong Kong Mr. Yip Hoi Chung G/F, No. 351, Shek O Village, Shek O Hong Kong Mr. Lee Hung Yuen Flat A, 27/F Tower 3 Bel-Air No. 8, Bel-Air on The Peak Bel-Air Peak Ave, Hong Kong Mr. Xu Yanfa 3-2-103 Shuiying Lanting, Pingshan Road Matang Street, Hexi District, Tianjin, PRC Ms. Ma Yin Fan Flat C, 4/F Fu Wai Court, Fortress Garden 32 Fortress Hill Road, North Point Hong Kong Ms. Yan Yan No. 36 Xianghu Yuan, Tuanbohu Tingyuan Tianjin, PRC
Registered office	:	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business in Hong Kong	:	Unit 503, 5/F, Greenfield Tower Concordia Plaza 1 Science Museum Road, Kowloon Hong Kong
Placing Agent	:	Gransing Securities Co., Limited Unit 2508, 25/F Cosco Tower 183 Queen's Road Central Hong Kong

Underwriter	:	Gransing Securities Co., Limited Unit 2508, 25/F Cosco Tower 183 Queen's Road Central Hong Kong
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue	:	Yang Chan & Jamison LLP 4008–4009, 40/F One Pacific Place 88 Queensway Hong Kong
Reporting accountants	:	Crowe (HK) CPA Limited 9/F., Leighton Centre 77 Leighton Road Causeway Bay, Hong Kong
Principal banker in Hong Kong	:	OCBC Wing Hang Bank Limited 161 Queen's Road Central Hong Kong
Principal share registrar and transfer office	:	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Hong Kong branch share registrar and transfer office	:	Boardroom Share Registrars (HK) Limited Room 2103B, 21/F 148 Electric Road North Point Hong Kong
Investment manager	:	INV Advisory Limited Room 1710A Convention Plaza Office Tower No.1 Harbour Road Wanchai, Hong Kong
Custodian	:	DBS Bank Ltd., Hong Kong Branch 18/F, The Center 99 Queen's Road Central Hong Kong

Company secretary	:	Ms. Leung So Sze Unit 503, 5/F, Greenfield Tower Concordia Plaza 1 Science Museum Road Kowloon, Hong Kong
Authorised representatives	:	Ms. Chan Mei Yan G/F, No. 351, Shek O Village, Shek O, Hong Kong
		Ms. Leung So Sze Unit 503, 5/F, Greenfield Towe, Concordia Plaza, 1 Science Museum Road, Kowloon, Hong Kong
Senior management	:	Ms. Wang Biao Unit 503, 5/F, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Kowloon, Hong Kong

11. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised Mr. Yip Hoi Chung, a non-executive Director and all of the independent non-executive Directors, namely Mr. Xu Yanfa, Ms. Ma Yin Fan and Ms. Yan Yan. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “13. Particulars of the Directors and Senior Management” in this appendix.

The primary role and function of the Audit Committee are to oversee the relationship with the external auditors, to review the Group’s preliminary quarterly results, interim results and annual results and to monitor compliance with statutory and listing requirements.

12. EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinions or advice, which are contained or referred to in this Prospectus:

Name	Qualification
Crowe (HK) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert:

- (a) has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter or opinions or advice and references to its name, in the form and context in which they appear;
- (b) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had 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 since 31 March 2021, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, the above expert was not materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

13. PARTICULARS OF THE DIRECTORS AND COMPANY SECRETARY

Executive Director

Ms. Chan Mei Yan, aged 45, has been an executive Director since 1 June 2020. She also serves as the chairman of the investment committee of the Board. She obtained her Bachelor of Business Administration (Finance) (Honours) from the Hong Kong University of Science and Technology in 1999. Ms. Chan is a responsible officer for Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management) under the Securities and Futures Ordinance. She has more than 20 years of experience in investment management from 1999 onwards. Ms. Chan has been an executive director at INV Advisory Limited, the investment manager of the Company, since September 2016 and is responsible for portfolio construction and investment decision making, investment advisory, business development and strategic planning and supervision of all compliance matter including the Securities and Futures Commission related regulations. Prior to joining INV Advisory Limited, Ms. Chan was a senior partner at INV Partners Limited from 2011 to 2013 and from 2013 to 2016, a company established in 2009 principally engaging in the business of investment management. Ms. Chan took up a wide range of duties such as asset management, business structure set up and development, investment research and due diligence. From March 2013 to November 2013, Ms. Chan was the chief operating officer of New Century Asset Management Limited, being the REIT manager of New Century REIT (Stock code: 1275.HK) from the initial public offering of the REIT to November 2013. She was a member of the finance and investment committee to real estate investment trust and was responsible for, among other things, formulating business plans, implementing asset enhancement strategies, supervising REIT operations such as financial

and cash management and valuations of REIT. Ms. Chan started her career at ADM Capital, being one of the largest hedge fund managers in Asia since 1999. Being one of the founding members, Ms. Chan became director/head of operations of the group since 2006, where she developed various non-front office functions including but not limited to fund administration, legal and compliance, investment valuation, investor relations and marketing, corporate governance, risk management, accounting and human resources.

Non-executive Directors

Mr. Yip Hoi Chung, aged 47, has been a non-executive Director and the vice chairman of the Company since 2 June 2021. He also serves as a member of the nomination committee the audit committee and the remuneration committee of the Board. Mr. Yip has more than 20 years of experience in securities and fund industry. In 2013, Mr. Yip was invited by an Asian family office to join its fund management company. Since then, he has been in the fund industry and is currently the Chief Business Development Officer of INV Partners Limited. From 2006 to 2013, Mr. Yip served as a Sales Director of the securities investment department of DBS Bank, managing DBS Vickers Securities Hong Kong Limited and DBS Vickers Securities Online (HK) Limited (acquired from Toronto-Dominion Bank, previous name as TD Waterhouse Investor Services (Hong Kong) Limited), and hence attained comprehensive experience in global investment services and online securities. From 1999 to 2006, he worked in the securities department of the Hong Kong subsidiary of the Canadian Imperial Bank of Commerce. Mr. Yip is a foreign exchange expert. He became the sole champion among Hong Kong fund industry clients annual index and foreign exchange competitions held by UBS in 2012 for fund management peers and substantial HNW clients. Mr. Yip graduated from the Hong Kong University of Science and Technology with a Bachelor's Degree of Science with Honours in 1998. After graduation, he continued to conduct in-depth research on astronomy and cutting-edge scientific technology via research companies. He was invited to be the chief scientific expert consultant of an astronomic and scientific movie in China in 2018. At his spare time, Mr. Yip devoted himself to public affairs as a founding director of a cultural conservation non-governmental organization and a charity director and volunteer committee of a charitable medical institution.

Mr. Lee Hung Yuen, aged 51, has been a non-executive Director since 8 December 2021. Mr. Lee has approximately 25 years of experience in business development and investment in China. He has been engaged in the manufacture and sale of electronic and light-emitting diode lighting products since 1995. Mr. Lee is currently the Managing Director of Longmax Holding (HK) Limited since 2006. Mr. Lee was a non-executive director of Wanguo International Mining Group Limited (Hong Kong stock code: 3939) from 12 June 2012 to 29 September 2021.

Independent non-executive Directors

Mr. Xu Yanfa, aged 58, has been an independent non-executive Director since 16 June 2017. He also serves as a member of the audit committee, the remuneration committee and the nomination committee of the Board. Mr. Xu has over 30 years of experience in pharmaceutical industry. Mr. Xu is currently the general manager of Tianjin Wanjia Pharmacy Company Limited* (天津市萬嘉製藥有限公司) since September 2005. He worked as a sale director of Beijing Tri-Prime Gene Pharmaceutical Company Limited and Beijing Xiehe Pharmaceutical Company Limited* (北京協和藥業) from February 2001 to September 2005 and April 1999 to February 2001, respectively. Mr. Xu was also a regional manager of Jiangsu Cuccess Pharmaceutical Company Limited (now known as Simcere Pharmaceutical Group) from October 1997 to March 1999.

Ms. Ma Yin Fan, aged 58, has been an independent non-executive Director since 16 June 2017. She also serves as the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Board. Ms. Ma obtained a bachelor's degree with honours in accounting from Middlesex University in the United Kingdom. She is also awarded the Master of Business Administration and Master in Professional Accounting degree from Heriot-Watt University in the United Kingdom and The Hong Kong Polytechnic University, respectively. Ms. Ma is a CPA (Practising) in Hong Kong and has been working in the auditing, accounting and taxation areas with more than 20 years of professional experience. She is the principal of Messrs. Ma Yin Fan & Company CPAs. Ms. Ma is the fellow member of each of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in the England and Wales, The Taxation Institute of Hong Kong, The Association of Chartered Certified Accountants, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Ms. Ma is currently an independent non-executive director of China Strategic Holdings Limited (stock code: 235) and CST Group Limited (stock code: 985). The shares of the abovementioned companies are listed on the Main Board of the Hong Kong Stock Exchange.

Ms. Yan Yan, aged 42, has been an independent non-executive Director since 16 June 2017. She also serves as the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Board. Ms. Yan obtained a bachelor's degree in management from Shanxi University of Finance & Economics in the PRC in June 2001. Ms. Yan obtained legal professional qualification of PRC in February 2005. Ms. Yan worked as a practicing lawyer at Elite Law Office in Tianjin (天津賢達律師事務所) from June 2005 to February 2012 and has been a senior partner since 2012. She worked as the head of law of Tianjin Pengtian Liquidation Limited* (天津市鵬天清算事務有限公司) from September 2003 to June 2005. Ms. Yan was a manager of law of Tianjin Municipal Highway Equipment Company Limited* (天津市政公路設備工程有限公司) from August 2001 to September 2003. Ms. Yan has extensive experience acting as legal adviser for investment and finance companies in the PRC.

Senior Management

Ms. Wang Biao, aged 52, has been appointed as the chief executive officer of the Company since 1 November 2019. She graduated from the Tianjin University of Commerce in 1991 with a bachelor's degree in information management. Ms. Wang has nearly 25 years of work experience in investment management and corporate governance. Prior to joining the Company, Ms. Wang has served as the executive director of Zhongrong Guosheng (Beijing) Investment Fund Management Co., Ltd. responsible for the company's general operation and investment management since 2012. From 1998 to 2012, Ms. Wang was the executive officer of Tianjin Sunrise Group Co., Ltd. responsible for administration management and corporate investment. From 1995 to 1998, Ms. Wang served as the deputy general manager of Tianjin Sunrise Kemao Co., Ltd. and was responsible for administration management.

Company Secretary

Ms. Leung So Sze has been appointed as the company secretary in June 2017. Ms. Leung obtained a bachelor's degree with honours in accounting from the Hong Kong Polytechnic University. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Leung has extensive experience in accounting, audit and financial management.

14. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**Investment Objectives**

The principal investment objective of the Company is to achieve earnings in the form of short to medium term capital appreciation through investing in a diversified portfolio of investments in listed or unlisted enterprises incorporated or established and/or conducting business in Hong Kong and the PRC.

Investment Policies

The Company has adopted the following investment policies:

- (i) at least 70% of the Company's assets will be invested in equity securities, equity-related securities, trusts, unit trusts, mutual funds or debt instruments issued by listed or unlisted enterprises established and/or conducting business in Hong Kong and the PRC, or such other types of investments in accordance with the investment objective and policies adopted by the Company from time to time subject to the requirements of the memorandum of the Company, the bye-laws of the Company, the Listing Rules and the Investment Management Agreement. Not more than 30% of the assets of the Company may be invested outside Hong Kong and the PRC where the Directors consider that such investments would provide attractive returns to the Company;

- (ii) the Company's investments shall normally be made in forms of equity securities, equity-related securities, trusts, unit trusts, mutual funds or debt instruments in listed or unlisted companies engaged in different industries including, but not limited to, information technology, telecommunications, biological technology, manufacturing, service, property, internet-related business, financial services, entertainment business and hotel catering so as to maintain a balance in the Company's exposure to different industry sectors in order to minimise the impact on the Company in respect of any downturn in any particular sector in which the Company has investments; where it is not to the benefit of the Company to realise such investments and the market conditions are favourable, the Company may package such investments into equity and/or equity-related products to hedge against unfavourable conditions;
- (iii) the Company's investments shall normally be made in enterprises which are established in their respective fields and in which the Board believes there are potential prospects for possible growth. In particular, the Company shall seek to identify enterprises with competitive products and concepts, strong management, high level of technical expertise and research and development capabilities, large potential markets, as well as management commitment to the long-term growth;
- (iv) the Company may also invest in companies or other entities which are considered by the Board and the Investment Manager as being special or in recovery situations on a case-by-case basis, such as companies in the course of recovery situations or the shares of which are trading below their net asset values per share, which may have potential to attain growth within a short period of time and provide attractive returns to the Company;
- (v) where possible, the Company shall seek to identify investments in companies where there is a certain degree of synergy with other investee companies and where co-operation between such companies would be of mutual benefit to each other;
- (vi) the investments are intended to be held for short to medium term (i.e. less than one year to five years) capital appreciation. The actual holding period shall be dependent on the return from investment and the potential of being listed on the Stock Exchange or other internationally recognised stock exchanges. The Company may, however, realise investments where the Board believes that such realisation would be in the best interests of the Company and its shareholders as a whole or where the terms on which such realisation can be made are considered by the Board to be particularly favourable to the Company;
- (vii) the Company's investments may be in forms of interests in FIEs or participation in unincorporated investments. In the event that the entity in which an investment is made is an unlimited company established or formed under the laws of Hong

Kong or that of the PRC, the Company may invest either through a subsidiary or an intermediate holding company with limited liability. The Company shall seek to ensure that it is not unnecessarily exposed to any unlimited liability; and

- (viii) before suitable investment projects are identified, the Company may seek to protect the capital value of the Company's assets by placing the funds not deployed on deposits in HK\$ or any currency with financial institutions in Hong Kong or investing in debt securities, money market instruments, bonds, treasury securities or other instruments denominated in any currency issued by the government of Hong Kong or the United States or the European countries, or their respective agencies or international development agencies.

The Company may also engage in transactions in options and futures which are traded on recognised securities exchanges, futures exchanges or other over the-counter markets. The Company has no intention to purchase or write (sell) derivative financial products with an open position and will not issue, purchase or write (sell) derivatives financial products except for hedging purposes.

Investment Restrictions

Under the articles of association of the Company and the Listing Rules, certain restrictions on investments are imposed on the Company:

- (i) the Company shall not either on its own or through its wholly-owned subsidiaries, or in conjunction with any connected person (as defined in the Listing Rules), take legal or effective management control of underlying investments and will not either itself or through its wholly-owned subsidiaries invest or own or control more than thirty per cent. (30%) (or such other percentage as may from time to time be specified in the Takeovers Code or other laws, regulations, rules, codes, orders or policies of other relevant jurisdictions as being the level for triggering a mandatory general offer for all the interests in such entity or other similar action or consequence) of the voting rights in any one company or body, except in relation to wholly-owned subsidiaries of the Company for the sole purpose of holding investments of the Company; and
- (ii) the Company shall maintain a reasonable spread of investments and the value of its holding of investments issued by any one company or body other than wholly-owned subsidiaries of the Company shall not exceed twenty per cent. (20%) of the net asset value of the Company as at the date such investment is made.

The Company has to comply with the above investment restrictions at all times while it remains as an investment company under Chapter 21 of the Listing Rules. As at the Latest Practicable Date, the Company has no present intention to invest in options, warrants, commodities, futures contracts or precious metals.

15. INVESTMENT PORTFOLIO

As at the Latest Practicable Date, the Company did not hold any investment.

16. DISTRIBUTION POLICY

Subject to the provisions in the bye-laws of the Company and any applicable laws, the Board has adopted the following distribution policy:

- (i) interest, dividends and other income of the Company will be used first to meet expenses;
- (ii) with the assistance of the Investment Manager, the Board will then assess whether it is reasonable to make provisions for future expenses and/or any possible diminution in the value of investments, and will consider the amount of cash which should be retained by the Company for further investments;
- (iii) any excess balance, after deducting expenses and provisions for diminution in the value of investments (if any) from the income received by the Company, be distributed by way of dividend to the extent permitted by law, the memorandum of association and bye-laws of the Company and the Company's investment policies and restrictions;
- (iv) dividends will only be declared and paid to the extent that they are covered by net income received from underlying investments;
- (v) distributions, if any, will be made annually after the annual accounts of the Company are approved by the Shareholders but interim distributions may be made from time to time to the Shareholders as the Board considers to be justified after taking into account the financial position of the Company and to the extent permitted by the memorandum of association and bye-laws of the Company, the applicable laws and the Company's investment policies and restrictions; and
- (vi) all distributions will be made in HK\$.

17. FOREIGN EXCHANGE POLICY

As at 30 September 2021 and as at the Latest Practicable Date, the Company held assets and liabilities denominated in Hong Kong dollars and US dollars. The Company's cash and cash equivalents were denominated in Hong Kong dollars and US dollars. It is considered that the Company is subject to insignificant exposure of foreign exchange fluctuation. Therefore, the Company has not used financial instruments for currency exchange hedging purposes.

18. TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

19. BORROWING POWERS

Pursuant to and in accordance with the bye-laws of the Company, the Company may exercise its borrowing power to borrow up to an aggregate principal amount representing not more than 50% of the latest available Net Asset Value at the time the borrowing is made. In the event that the borrowing made by the Company exceeds 50% of the latest available Net Asset Value at the time the borrowing is made, the Board must obtain prior approval of the Shareholders at a general meeting. The Company's assets may be charged and pledged as security for borrowings. Subject to the provisions of the bye-laws of the Company and of the Investment Management Agreement, the Board may from time to time borrow for the purposes of providing liquidity or taking advantage of investment opportunities.

20. INFORMATION ON THE INVESTMENT MANAGER

- (a) Set out below is the information of the investment manager of the Company:

INV Advisory Limited
Room 1710A
Convention Plaza Office Tower
No.1 Harbour Road
Wanchai, Hong Kong

The Investment Manager is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

- (b) The full names, addresses and description of the directors of the Investment Manager are as follows:

Name	Address
Mr. Gu Ziguang	Room 1710A, Convention Plaza Office Tower, No.1 Harbour Road, Wanchai, Hong Kong
Ms. Luo Lanqing	Room 1710A, Convention Plaza Office Tower, No.1 Harbour Road, Wanchai, Hong Kong
Ms. Chan Mei Yan	G/F, No. 351, Shek O Village, Shek O, Hong Kong

The biographies of the directors of the Investment Manager are as follows:

Gu Ziguang (“**Mr. Gu**”)

Mr. Gu graduated from the Law School of Tsinghua University. He is currently the Non-executive Director and Director/General Manager of Shoutai Jinxin (Beijing) Investment & Management Co. Ltd. Mr. Gu has served as the Head of the Risk Management Department of Cinda Investment Co., Ltd. and the Deputy General Manager of the subsidiary of Cinda Investment Co. Ltd. in Hainan. Mr. Gu has been engaged in the investment management industry for more than 12 years, with comprehensive experience including but not limited to real estate investments, private equity investments, capital market M&A, non-performing asset operations and other financial sectors. He has led more than 80 investment projects and involved in private funds of AUM over RMB50 billion.

Luo Lanqing Ph.D. (“**Ms. Luo**”)

Ms. Luo is currently the assistant to the President of China Media Information Investment Co., Ltd.

Chan Mei Yan (“**Ms. Chan**”)

For the biography of Ms. Chan, please refer to the section headed “13. Particulars of the Directors and Company Secretary” in this appendix.

- (c) None of the Directors, the directors of the Investment Manager, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.

- (d) On 29 May 2020, the Company entered into the investment management agreement (the “**Investment Management Agreement**”) with the Investment Manager, pursuant to which the Investment Manager has agreed to provide non-discretionary investment management services to the Company for a period of three years from 1 June 2020 to 31 May 2023. The maximum aggregate fee payable by the Company to the Investment Manager under the Investment Management Agreement will not exceed HK\$1,620,000 per annum. The Investment Manager will provide non-discretionary investment management services to the Company under the Investment Management Agreement, including:
- (i) considering and evaluating potential investments (including project proposals from its own sources or brought to its attention by other third parties) upon request; rendering investment advice to the Board based upon such information as may reasonably be available to it, and making recommendations to the Board regarding potential investments and divestments by the Company identified by the Investment Manager or the Board upon request;
 - (ii) providing the Board with such information as may reasonably be available to it to acquire or to divest investments of which the Investment Manager becomes aware and which in the opinion of the Investment Manager are or may be suitable for the Company;
 - (iii) providing the Board, the auditors and the company secretary of the Company or such other persons as authorized by the Board from time to time with such information in the possession or under control of the Investment Manager as may reasonably be required for keeping of accounts, books, records and statements pursuant to the applicable law and regulations;
 - (iv) executing investment and divestment decisions of the Company in accordance with the instructions of the Board and the terms of the Investment Management Agreement;
 - (v) acting from time to time in accordance with all reasonable instructions given and authorities delegated to it by the Board and the Company, and keeping the Board fully informed in exercising its powers and performing its duties hereunder; and
 - (vi) assisting the Board, where necessary, in calculating or reviewing the net asset value of the Company in accordance with any valuation method adopted by the Board as at each valuation date in accordance with the requirements under the Listing Rules and the bye-laws of the Company.

21. CUSTODIAN

DBS Bank Ltd. (acting through its Hong Kong Branch) (the “**Custodian**”), whose address is 18/F, The Center, 99 Queen’s Road Central, Hong Kong, was appointed as the custodian in relation to the investments which the Company may from time to time deposit with the custodian on.

Pursuant to the custodian agreement dated 26 November 2010 and effective since 1 December 2010, a custody fee at the rate of 0.125% per annum on value of month-end assets subject to a minimum of US\$500 per month, and a transaction fee of US\$15 per transaction are payable by the Company to the Custodian.

22. RISK FACTORS OF INVESTING IN THE COMPANY

The Company is an investment company and its funds will be invested in listed and unlisted companies in Hong Kong, the PRC and other main markets around the world. These investments will be subject to market fluctuations and to the risks inherent in all investments. Investors should also be aware that the Company’s income and its net asset value are likely to be adversely affected by external factors beyond the control of the Company. As a result, income of the fund and its net asset value may therefore go down as well as go up, subject to the prevailing market conditions.

23. 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) In the event of inconsistency, the English text of this Prospectus shall prevail over the Chinese text.

24. LEGAL EFFECT

This Prospectus, the PAL 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.

25. BINDING EFFECT

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) so far as applicable.

26. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of this Prospectus, together with copies of the PAL and the written consent referred to in the paragraph headed “12. Expert and Consent” in this Appendix III, have been registered with the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).

27. DOCUMENTS ON DISPLAY

The following documents will be available on (i) the website of the Company (www.irasia.com/listco/hk/youthchamp) and the website of the Stock Exchange (www.hkexnews.hk) during a period of 14 days from the date of this Prospectus (both days inclusive):

- (a) the Investment Management Agreement;
- (b) the Placing Agreement;
- (c) the Underwriting Agreement;
- (d) the accountant’s report on the unaudited pro forma financial information of the Group issued by Crowe (HK) CPA Limited, the text of which is set out in Appendix II to this Prospectus; and
- (e) the written consent referred to in the section headed “12. Experts and consents” in this appendix.