
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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Endurance RP Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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

Dealings in the securities of Endurance RP Limited may be settled through CCASS and you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on The Stock Exchange of Hong Kong Limited as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of The Stock Exchange of Hong Kong Limited on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC 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 on the whole or any part of the contents of the Prospectus Documents.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or beneficial owners of the Shares who are residents outside Hong Kong should refer to the important information set out in the section headed "Notices" and the paragraph headed "Rights of Overseas Shareholders and Non-Qualifying Shareholders" under the section headed "Letter from the Board" in this prospectus.

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



Endurance RP Limited

壽康集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE

Financial Adviser



Grande Capital Limited

Placing Agent of the Rights Issue



Eddid Securities and Futures Limited

Terms in this cover page have the same meanings as defined in this prospectus.

The latest time for acceptance of and payment for the Rights Shares is at 4:00 p.m. on Thursday, 29 December 2022. The procedures for application and payment for the Rights Shares are set out on pages 20 and 21 of this prospectus.

The Rights Issue is only partially underwritten. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares or otherwise subscribed by the Underwriter or other subscribers procured by it pursuant to the Underwriting Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. These certain events are set out in the section headed "Termination of the Underwriting Agreement" on pages 10 to 11 of this prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 15 December 2022 to Thursday, 22 December 2022 (both days inclusive). If the condition of the Rights Issue is not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 15 December 2022 to Thursday, 22 December 2022 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its their own professional advisers.

* for identification purposes only

NOTICES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the fulfilment of the conditions contained in the Underwriting Agreement and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” of this prospectus). Accordingly, the Rights Issue may or may not proceed.

The Shares were dealt in on an ex-rights basis from Tuesday, 29 November 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 15 December 2022 to Thursday, 22 December 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the 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 doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares until 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 if the Underwriter terminates the Underwriting Agreement, or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.

DISTRIBUTION OF THE PROSPECTUS DOCUMENTS

Distribution of the Prospectus Documents (including this prospectus) in jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) in possession of the Prospectus Documents should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. This prospectus has not been lodged or registered with any of the relevant authorities in any jurisdiction other than Hong Kong.

None of the Prospectus Documents will be registered under the securities laws of any jurisdiction other than Hong Kong and none of the Prospectus Documents will qualify for distribution under any of the relevant securities laws of any of the jurisdictions other than Hong Kong (save for any applicable exceptions as agreed by the Company). Accordingly, the Rights Shares in both nil-paid and fully-paid forms may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions other than Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions other than Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or resident in, any of the jurisdictions other than Hong Kong should refer to the paragraph headed “Rights of Overseas Shareholders and Non-Qualifying Shareholders” under the section headed “Letter from the Board” in this prospectus. For a description of certain restrictions regarding the taking up of the nil-paid Rights Shares for, and the offering and sale of, the Rights Shares in jurisdictions other than Hong Kong, please see the notices below.

NOTICES

FORWARD-LOOKING STATEMENTS

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

The forward-looking statements in this prospectus are based on management’s present expectations about future events. Management’s present expectations reflect many assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

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

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	shall have the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 26 September 2022 in relation to, among other things, the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver
“associate(s)”	shall have the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturday and Sunday and any day on which 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
“Chairman”	chairman of the Board
“Circular”	the circular of the Company dated 31 October 2022 in relation to, among other things, the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver
“Companies Act”	the Companies Act (as amended) of the Cayman Islands
“Company”	Endurance RP Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, 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)”	shall have the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	shall have the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“COVID-19 Pandemic”	the Coronavirus (Covid-19) pandemic
“Deep Longevity”	Deep Longevity, Inc, a wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 24 November 2022 at which, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder, were approved by the Independent Shareholders
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Existing Share(s)”	the 2,400,347,881 existing ordinary Shares in issue at the Latest Practicable Date
“Galloway” or “Underwriter”	Galloway Limited, a private limited liability company incorporated in the British Virgin Islands and indirectly and beneficially wholly-owned by Mr Mellon
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	<p>in respect of the Rights Issue, Shareholder(s) other than (i) the Underwriter and parties acting in concert with it; (ii) all Directors (excluding the independent non-executive Directors) and their respective associates (as defined under the Listing Rules); (iii) those who are involved in or interested in the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver (as the case may be); and (iv) those who are required under the Listing Rules and/or the Takeovers Code (as the case may be) to abstain from voting at the EGM</p> <p>in respect of the Set Off, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver, Shareholders other than (i) the Underwriter and parties acting in concert with it; (ii) those who are involved in or interested in the Set Off, the Underwriting Agreement, the Placing Agreement, the Whitewash Waiver and the Rights Issue (as the case may be); (iii) those who have a material interest in the Set Off, the Underwriting Agreement, the Placing Agreement, the Whitewash Waiver and the Rights Issue; and (iv) those who are required under the Listing Rules and/or the Takeovers Code (as the case may be) to abstain from voting at the EGM</p>
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons

DEFINITIONS

“Indigo”	Indigo Securities Limited, a private limited liability company incorporated in the British Virgin Islands and indirectly and beneficially wholly-owned by Mr Mellon
“Irrevocable Undertakings”	the irrevocable undertakings given by Mr Mellon in favour of the Company under the Underwriting Agreement and described in the paragraph headed “The Irrevocable Undertakings” under the section headed “Rights Issue” in this prospectus
“Last Trading Day”	26 September 2022, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Lodging Time”	4:30 p.m. on Wednesday, 30 November 2022 or such other time and/or date as the Underwriter and the Company may agree, being the latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue
“Latest Placing Time”	4:00 p.m. on Thursday, 5 January 2023, or such later date and time as the Company may announce, being the latest date and time for the Placing Agent to effect the Compensatory Arrangements
“Latest Practicable Date”	7 December 2022, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information referred to in this prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 29 December 2022, or such other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 6 January 2023, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the PRC
“Mr Mellon”	Mr James Mellon, a substantial shareholder of the Company who is also a non-executive Director and Chairman of the Board
“Net Gain”	any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing

DEFINITIONS

“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, or Non-Qualifying Shareholder(s) (as the case may be)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) to 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
“NQS Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholder(s) for the Rights Issue
“Placee(s)”	professional, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and not acting in concert with the Underwriter and parties acting in concert with it and/or the connected persons of the Company, procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 1,962,048,552 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to the Placee(s) on the terms and conditions of the Placing Agreement
“Placing Agent”	Eddid Securities and Futures Limited, a corporation licensed to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 26 September 2022 entered into between the Company and the Placing Agent in relation to the Placing, as amended by a supplemental agreement dated 7 December 2022
“Placing Period”	the period from Wednesday, 4 January 2023 up to 4:00 p.m. on Thursday, 5 January 2023, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements

DEFINITIONS

“Plethora”	Plethora Solutions Holdings plc, a wholly-owned subsidiary of the Company
“PRC” or “China”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, Macau and Taiwan
“Prospectus Documents”	this prospectus and the PAL
“Prospectus Posting Date”	Tuesday, 13 December 2022, or such other date as may be agreed in writing between the Company and the Underwriter, being the date of despatch of the Prospectus Documents to the Qualifying Shareholder(s) or this prospectus to the Non-Qualifying Shareholder(s) (as the case may be)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Monday, 12 December 2022, or such other date as may be agreed in writing between the Company and the Underwriter, being the record date for determining the entitlements of the Shareholder(s) to participate in the Rights Issue
“Registrar”	Tricor Tengis Limited, the Company’s branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of new Shares by way of rights on the basis of one (1) Rights Share for every one (1) Existing Share held at the close of business on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon exercise of all options to be granted by the Board under the Share Option Scheme and any other share option scheme(s) of the Company to subscribe up to 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, the total number of Shares which may be allotted and issued upon exercise of all options to be granted shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders of the refreshed limit
“Set Off”	the set off of the total amount of subscription monies payable by Galloway as the Underwriter, Mr Mellon and Indigo for the Rights Shares to which they are entitled to and/or are required to subscribe for (if any) under the Rights Issue and the Underwriting Agreement respectively, against the equivalent amount of the Shareholder’s Loans and accrued interest thereon on a dollar-to-dollar basis on the completion date of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s), with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
“Share Option(s)”	share option(s) granted under the share option scheme of the Company named the “Share Option Scheme (2016)” adopted on 10 June 2016 after Shareholders’ approval
“Share Option Scheme”	the share option scheme adopted by the Company on 10 June 2016
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loans”	the outstanding shareholder’s loans in the aggregate principal amount of approximately US\$13.40 million (or approximately HK\$105.19 million), advanced by Galloway comprising interest-free and unsecured loan amounting to approximately US\$0.73 million (or approximately HK\$5.73 million) and repayable on 6 September 2022 and a series of unsecured loans amounting to approximately US\$12.67 million (or approximately HK\$99.46 million) bearing interest rates ranging from 5 to 5.5% per annum and repayable from 8 October 2022 to 20 December 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.0785 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
“Underwriting Agreement”	the underwriting agreement dated 26 September 2022 entered into between the Company, Galloway as the Underwriter, Mr Mellon and Indigo in relation to the Rights Issue
“Underwritten Rights Share(s)”	Up to 1,569,711,046 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 Rights Share(s)”	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company as described in the paragraph headed “Arrangements for the NQS Rights Shares” in this prospectus
“US\$”	United States dollars, the lawful currency of the United States of America

DEFINITIONS

“Whitewash Waiver” a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it as a result of the taking up of the Rights Shares by the Underwriter pursuant to the Underwriting Agreement

“%” per cent.

For the purpose of this prospectus, the exchange rate of US\$1.00 = HK\$7.85 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or US\$ has been, could have been or may be converted at such a rate.

* *For identification purposes only*

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Time and Date
First day of dealings in nil-paid Rights Shares	Thursday, 15 December 2022
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Monday, 19 December 2022
Last day of dealings in nil-paid Rights Shares	Thursday, 22 December 2022
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Thursday, 29 December 2022
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 29 December 2022
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements	Tuesday, 3 January 2023
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Wednesday, 4 January 2023
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Thursday, 5 January 2023
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Friday, 6 January 2023
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share under the Compensatory Arrangements)	Wednesday, 11 January 2023
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	on or before Thursday, 12 January 2023
Refund cheques, if any, to be despatched (if the Rights Issue is terminated)	on or before Thursday, 12 January 2023
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 13 January 2023
Payment of Net Gain (if any) to relevant No Action Shareholders and net proceeds (if any) from sale of nil-paid Rights Shares to the relevant Non-Qualifying Shareholders	Friday, 3 February 2023

All times and dates stated above refer to Hong Kong local times and dates.

EXPECTED TIMETABLE

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

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

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 29 December 2022. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 29 December 2022. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Thursday, 29 December 2022, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

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

1. in the reasonable opinion of the Underwriter, the success of the Rights Issue is or will 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 materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole 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 thereof) 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 materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities and a change in currency conditions including without limitation a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States) occurs which in the 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
3. there is any material litigation or claim or proceedings being instigated or threatened against the Company or any of the members of the Group or any other change in the circumstances of the Company which in the opinion of the Underwriter will materially and 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 the destruction of any material asset of the Company; or
4. any event of force majeure including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared), declaration of a national or international emergency, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, terrorism, calamity, crisis, strike or lock-out (whether or not covered by insurance) which in the opinion of the Underwriter will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or
6. there shall have occurred, developed, existed or come into effect any material breach by the Company of any representations, warranties, undertakings or any provisions of the Underwriting Agreement; or
7. there shall have occurred, developed, existed or come into effect any event, act or omission which gives or is likely to give rise to any material liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement; or

TERMINATION OF THE UNDERWRITING AGREEMENT

8. the Circular or the Prospectus Documents when published contain information (either as to business prospects or the condition of the Group 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 reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or
9. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than five consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements and circulars in connection with the Rights Issue.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement(s) will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD



Endurance RP Limited

壽康集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

Executive Director:

Jamie Alexander Gibson *(Chief Executive Officer)*

Registered office:

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

Non-executive Directors:

James Mellon *(Chairman)*
Jayne Allison Sutcliffe

Principal place of business in Hong Kong:

8th Floor, Henley Building
5 Queen's Road Central, Hong Kong

Independent non-executive Directors:

Charles David Andrew Comba
Julie Oates
Stawell Mark Searle

13 December 2022

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

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to, among other matters, the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver.

At the EGM held on Thursday, 24 November 2022, the necessary resolutions for approving, among other things, the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders.

The purpose of this prospectus is to provide you with among other things, further details of the Rights Issue, including the information on procedures for application and payment and certain financial information and other information in respect of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.0785 per Rights Share, to raise gross proceeds of up to (i) approximately HK\$188.43 million (or approximately US\$24.00 million) before the Set Off and expenses by issuing 2,400,347,881 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date); or (ii) approximately HK\$193.80 million (or approximately US\$24.69 million) before the Set Off and expenses by issuing 2,468,728,881 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options but otherwise no other change in the issued share capital of the Company on or before the Record Date).

The estimated net proceeds from the Rights Issue before the Set Off and after deducting all necessary expenses of approximately HK\$6.28 million (or approximately US\$0.80 million) will be approximately HK\$182.15 million (or approximately US\$23.20 million) by issuing 2,400,347,881 Rights Shares (assuming (i) full acceptance by the Qualifying Shareholders under the Rights Issue; and (ii) no change in the issued share capital of the Company on or before the Record Date) or approximately HK\$187.52 million (or approximately US\$23.89 million) by issuing 2,468,728,881 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options but otherwise no other change in the issued share capital of the Company on or before the Record Date). The principal terms of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every one (1) Existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.0785 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue on a per Rights Share basis):	Approximately HK\$0.076 per Rights Share
Aggregate nominal value of the Rights Shares:	Approximately HK\$188.43 million (or approximately US\$24.00 million) (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) Approximately HK\$193.80 million (or approximately US\$24.69 million) (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options, except Mr Mellon who has provided an undertaking not to exercise his Share Options under the Irrevocable Undertakings, but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)

LETTER FROM THE BOARD

Number of Shares in issue as at the Latest Practicable Date:	2,400,347,881 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	<p>Up to 2,400,347,881 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)</p> <p>Up to 2,468,728,881 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options, except Mr Mellon who has provided an undertaking not to exercise his Share Options under the Irrevocable Undertakings, but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)</p>
Number of Rights Shares Underwritten:	Up to 1,569,711,046 Rights Shares, being the maximum number of Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
Gross proceeds from the Rights Issue (before the Set Off and expenses):	<p>Up to approximately HK\$188.43 million (or approximately US\$24.00 million) (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)</p> <p>Up to approximately HK\$193.80 million (or approximately US\$24.69 million) (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options, except Mr Mellon who has provided an undertaking not to exercise his Share Options under the Irrevocable Undertakings, but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)</p>
Net proceeds from the Rights Issue (before the Set Off and after deducting the estimated expenses of approximately HK\$6.28 million (or approximately US\$0.80 million):	<p>Approximately HK\$182.15 million (or approximately US\$23.20 million) (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)</p> <p>Approximately HK\$187.52 million (or approximately US\$23.89 million) (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options, except Mr Mellon who has provided an undertaking not to exercise his Share Options under the Irrevocable Undertakings, but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)</p>

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had an outstanding aggregate of 70,218,000 Share Options granted to the grantees which comprised: (i) 6,000,000 Share Options with exercisable period up to 30 April 2023 at the exercise price of HK\$0.149 per Share; (ii) 43,718,000 Share Options with exercisable period up to 13 October 2030 at the exercise price of HK\$0.149 per Share; (iii) 18,000,000 Share Options with exercisable period up to 16 December 2030 at the exercise price of HK\$0.183 per Share; and (iv) 2,500,000 Share Options with exercisable period up to 6 June 2031 at the exercise price of HK\$0.185 per Share. Save as disclosed in this prospectus, as at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Shares.

Assuming no change in the issued share capital of the Company on or before the Record Date, the 2,400,347,881 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date) proposed to be allotted and issued pursuant to the terms of the Rights Issue represent approximately (i) 100 % of the total number of existing issued Shares and (ii) 50% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue.

The Rights Issue is only partially underwritten. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares or otherwise subscribed by the Underwriter or other subscribers procured by it pursuant to the Underwriting Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Right Shares.

The Subscription Price

The Subscription Price of HK\$0.0785 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 1.95% over the closing price of HK\$0.077 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 21.50% to the closing price of HK\$0.100 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 25.24% to the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.105 per Share;
- (iv) a discount of approximately 27.98% to the average closing prices of the Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.109 per Share;

LETTER FROM THE BOARD

- (v) a discount of approximately 15.59% to the theoretical ex-rights price (assuming no change in the issued share capital of the Company on or before the Record Date) of HK\$0.093 per Share as adjusted for the effect of the Rights Issue, based on the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 38.19% to the audited consolidated net asset value per Share of the Group of approximately HK\$0.127 per Share, which is calculated by dividing the audited consolidated net asset value attributable to equity holders of the Company of approximately US\$38.77 million (or approximately HK\$304.34 million) as at 31 December 2021 as shown in the Company's annual report by the number of Shares in issue as of the Last Trading Day (i.e. 2,400,347,881 Shares); and
- (vii) a premium of approximately 24.60% over the unaudited consolidated net asset value per Share of the Group of approximately HK\$0.063 per Share, which is calculated by dividing the unaudited consolidated net asset value attributable to equity holders of the Company of approximately US\$19.26 million (or approximately HK\$151.19 million) as at 30 June 2022 as shown in the Company's interim report by the number of Shares in issue as at the Last Trading Day (i.e. 2,400,347,881 Shares).

The Rights Issue would result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 13.89% to the existing Shareholders if they elect not to participate in the Rights Issue, based on the theoretical diluted price of approximately HK\$0.093 per Share and the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK\$0.108 per Share.

The net Subscription Price per Rights Share (after deducting the relevant expenses) will be approximately HK\$0.076 per Rights Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter, having considered various factors including (i) the deteriorating financial condition and imminent funding requirements of the Group; (ii) the recent market price of the Shares under the prevailing market conditions; (iii) the recent volatility of the capital market in Hong Kong with the Hang Seng Index reaching a quarterly high of 22,400 on 28 June 2022 and subsequently reversing its trend and traded below 14,700 on 31 October 2022, which adversely affects investors' confidence in the market; (iv) the necessity to increase the attractiveness of the Rights Issues by offering Qualifying Shareholders the opportunity to participate at a considerable discount to the price of the shares of the Company as at the Last Trading Day; and (v) the equal opportunity being offered to each of the Qualifying Shareholders for the subscription of the Rights Shares at the Subscription Price in proportion to his/her/its existing shareholding in the Company.

After taking into account the terms of the Rights Issue and the reasons for the Rights Issue as stated in the section headed "Reasons for and Benefits of the Rights Issue, the Set Off, the Underwriting Agreement and Intended Use of Proceeds" in this prospectus, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable as far as the Independent Shareholders are concerned and in the best interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

LETTER FROM THE BOARD

Qualifying Shareholders

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

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

In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, 30 November 2022.

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

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Closure of register of members

The register of members of the Company has been closed from Thursday, 1 December 2022 to Monday, 12 December 2022 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of the Shares has been registered during the above book closure periods.

Basis of provisional allotments

The basis of the provisional allotments shall be one (1) Rights Share (in nil-paid form) for every one (1) Existing Share held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. 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 and Non-Qualifying Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue are not intended to be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

LETTER FROM THE BOARD

According to the register of members of the Company as at the Latest Practicable Date, as well as to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Overseas Shareholders were as follows:

Jurisdiction	Number of Overseas Shareholder(s)	Aggregate number of Shares held by Overseas Shareholder(s) in the jurisdiction	Approximate percentage of shareholdings	Reasons for not extending the Rights Issue based on legal advice
Austria	1	7,853	0.0003%	n/a
British Virgin Islands	1	77,082,353 ^(Note)	3.2113%	n/a
Canada	2	456,775	0.0190%	The Company will be subject to the prospectus requirements or the need to comply with certain local securities regulatory requirements which includes public filings to the relevant local authority
Cayman Islands	2	58,509,622	2.4375%	n/a
Denmark	1	1,114,286	0.0464%	n/a
France	1	200,000	0.0083%	The Company will be subject to the prospectus requirements or the need to comply with certain exemptions procedures in accordance to the local legal requirements which includes translation of all communications and Prospectus Documents into French
Guernsey	1	36,913	0.0015%	n/a
Ireland	7	1,141,123	0.0475%	n/a
Isle of Man	2	12,400	0.0005%	n/a
Jersey	1	78,538	0.0033%	n/a
Malaysia	1	13,000	0.0005%	The Company will have to register or file the Prospectus Documents with the relevant regulatory authorities under the local legal requirements
New Zealand	1	15,707	0.0007%	The Company will be subject to the disclosure statement requirements or the need to comply with certain exemptions procedures in accordance to the local legal requirements which includes contacting local shareholders to ascertain their eligibility for exemptions
PRC	3	4,123,058	0.1718%	n/a
Russia	9	17,830,276	0.7428%	Pursuant to Presidential Decree No. 81 of 01.03.2022 and Government Decree No. 295 of 06.03.2022 which was adopted in March 2022, various requirements and restrictions have been imposed in relation to any transactions involving issuing of securities by non-Russian companies to Russian residents which may necessitate approval from the local government commission
Singapore	1	21,684	0.0009%	n/a
Spain	3	1,321,193	0.0550%	n/a
Switzerland	2	2,228,672	0.0928%	n/a
United Kingdom	556	32,130,089	1.3386%	The Company will be subject to the prospectus requirements
United States	13	137,243,483	5.7176%	The Company will be subject to the registration statement requirements or the need to comply with certain exemptions filing, registration or procedures in accordance to the local legal requirements

Note: These Shares were beneficially owned by a company indirectly wholly owned by Mr Mellon.

The Company has, in compliance with Rule 13.36 of the Listing Rules, made reasonable enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. Based on legal advice provided by the legal advisers to the Company, the Directors are of the view that the relevant overseas legal restrictions and requirements of the relevant regulatory body or stock exchange do not make it necessary or expedient to exclude the Overseas Shareholders with registered address(es) in Austria, British Virgin Islands, Cayman Islands, Denmark, Guernsey, Ireland, Isle of Man, Jersey, the PRC, Singapore, Spain and Switzerland from the Rights Issue, and the Rights Issue will be offered to the Overseas Shareholders in those jurisdictions.

LETTER FROM THE BOARD

Based on the legal advice provided by the legal advisers to the Company, (i) for the jurisdictions of Canada, France, New Zealand, the United Kingdom and the United States, the Company will be subject to the prospectus/disclosure statement/registration statement requirements or the need to comply with certain exemptions, filing, registration or procedures in accordance to the local legal requirements, the Directors are therefore of view that it is necessary and expedient not to offer the Rights Shares to the Overseas Shareholders in such jurisdictions on account of the approval required by the relevant authorities in the relevant overseas jurisdictions and/or additional steps the Company and/or Overseas Shareholder(s) need(s) to take to comply with the local legal requirements; (ii) for the jurisdiction of Malaysia, the Company will have to register or file the Prospectus Documents with the relevant regulatory authorities under the local legal requirements, the Directors are therefore of view that it is necessary and expedient not to offer the Rights Shares to the Overseas Shareholders in such jurisdiction on account of the additional time and costs involved in the registration or filing of the Prospectus Documents; and (iii) for the jurisdiction of Russia, there are certain restrictions for Russian citizens to acquire shares in foreign companies, the Directors are therefore of view that it is necessary and expedient not to offer the Rights Shares to the Overseas Shareholders in such jurisdiction on account of the approval required by the relevant authorities in the relevant overseas jurisdictions and/or other requirements to be satisfied in order to comply with relevant local legal or regulatory requirements in this jurisdiction. Therefore, Overseas Shareholder(s) with registered address(es) in Canada, France, Malaysia, New Zealand, Russia, the United Kingdom and the United States shall be classified as Non-Qualifying Shareholder(s). For reasons not to offer the Rights Shares to the Overseas Shareholder in each of the jurisdictions, please refer to the above table.

The Company will send this prospectus and a letter explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue to the Non-Qualifying Shareholders for their information only but will not send the PAL to him/her/it.

As the register of members of the Company is already closed at the Latest Practicable Date and will remain closed up to the Record Date, there will be no additional Non-Qualifying Shareholders on the Record Date.

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 and if they are in any doubt about their position, they should consult their own professional advisers.

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, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up 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 the obtaining of any governmental or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

LETTER FROM THE BOARD

Arrangements for the NQS Rights Shares

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. If the proceeds from each such sale, less expenses, are more than HK\$100, the excess will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit to cover the administrative costs that it would have incurred. Any unsold entitlements of Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be offered for subscription by the Placing Agent to the Placees under the Placing and, if not successfully placed out, will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

For the nil-paid Rights Shares that are sold in the market by the Company as described above, if the buyer(s) of such nil-paid Rights Shares does/do not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

The Company reserves the right to permit any Overseas Shareholder to take up Rights Shares if the Board, based on the legal advice from the legal advisers to the Company, is satisfied that the extending of the Rights Issue to such Overseas Shareholder is exempted from or not subject to the laws and regulations in the relevant place of his/her/its registered address which would otherwise give rise to restrictions in that place upon the offer or take-up of the Rights Shares and the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

Qualifying Shareholders will find enclosed with this prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Thursday, 29 December 2022. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to **TRICOR TRUST (HONG KONG) LIMITED – A/C NO. 19** and crossed "**Account Payee Only**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 29 December 2022, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Monday, 19 December 2022 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of the rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

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

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be given in respect of any application monies received.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Thursday, 12 January 2023 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee, except HKSCC Nominees Limited, will receive one share certificate for all allotted Rights Shares.

If the Underwriting Agreement is terminated or not becoming unconditional, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on Thursday, 12 January 2023.

Fractional entitlement to the Rights Shares

On the basis of the provisional allotment of one (1) Rights Share for every one (1) Existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company for its own benefit.

LETTER FROM THE BOARD

The Irrevocable Undertakings

As at the Latest Practicable Date, Mr Mellon is directly and indirectly through Galloway and Indigo interested in an aggregate of 506,680,329 Shares, representing approximately 21.11% of the entire issued share capital of the Company. Pursuant to the Irrevocable Undertakings given by Mr Mellon under the Underwriting Agreement, Mr Mellon irrevocably undertook with the Company that (i) he will, and will procure Galloway and Indigo to, subscribe for 506,680,329 Rights Shares which comprise the full acceptance of their provisional entitlement in respect of the 506,680,329 Shares beneficially held by him, Galloway and Indigo; (ii) he will not, and will procure Galloway and Indigo not to, dispose of any of the 506,680,329 Shares comprising the current shareholding in the Company owned by them, and such Shares will remain beneficially owned by them up to and including the Record Date; and (iii) he will not exercise the 1,837,000 Share Options held by him up to and including the Record Date.

Save for the Irrevocable Undertakings, as at the Latest Practicable Date, the Board has not received from any other substantial shareholders any information of their intention to take up the Rights Shares to be provisionally allotted to them, or any other undertaking to take up their entitlements under the Rights Issue.

Application for listing

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue, upon the Rights Issue becoming effective.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms with their board lot size being the same (i.e. 10,000) as their underlying Shares 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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

Taxation

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

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Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21(2) of the Listing Rules, as the Underwriter is wholly-owned by Mr Mellon who is a substantial shareholder of the Company, the Company must make arrangements to dispose of the Unsubscribed Rights Shares, comprising the Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares, by offering the Unsubscribed Rights Shares to independent placees by way of a placing for the benefit of the relevant No Action Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issues as stipulated under Rule 7.21(2)(a) of the Listing Rules.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and the Net Gain will be paid to those No Action Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 5 January 2023, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

The Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the No Action Shareholders as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL; and
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

THE PLACING AGREEMENT

On 26 September 2022 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Details of the Placing Agreement are summarised as follows:

Date: 26 September 2022 (after trading hours of the Stock Exchange)

Placing Agent: The Placing Agent was appointed to place, or procure the placing of, a maximum of 1,893,667,552 (assuming no change in the issue share capital of the Company on or before the Record Date) or 1,962,048,552 (assuming new shares are allotted and issued on or before the Record Date pursuant to full exercise of all Share Options, except Mr Mellon who has provided an undertaking not to exercise his Share Options under the Irrevocable Undertakings) Unsubscribed Rights Shares, on a best effort basis, to the Placee(s).

As at the Latest Practicable Date, the Placing Agent has confirmed that it and its ultimate beneficial owner(s) are independent of and not acting in concert with the Underwriter and parties acting in concert with it.

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Placing commission payable to the Placing Agent:	(i) A fixed fee of HK\$150,000 (or approximately US\$19,000) or (ii) 2% of the gross proceeds, whichever is higher, from the successful placement of Unsubscribed Rights Shares.
Placing price of the Unsubscribed Rights Shares:	<p>The placing price of the Unsubscribed Rights Shares shall not be less than the Subscription Price.</p> <p>The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement.</p>
Places:	The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) and not acting in concert with the Underwriter and its concert parties and/or any of the Company's connected persons.
Ranking of Unsubscribed Rights Shares:	The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue.
Placing condition:	The Placing is conditional upon the fulfillment of the following conditions on or before the Latest Time for Termination (or such later date as may be agreed in writing between the Placing Agent and the Company): (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares; (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and (iii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement.
Placing Period:	The period from Wednesday, 4 January 2023 up to 4:00 p.m. on Thursday, 5 January 2023, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.

Termination of the Placing Agreement

The Placing Agent may terminate the Placing Agreement by a notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or

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- (ii) the imposition of any moratorium, suspension (for more than ten (10) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would materially and adversely affect the success of the Placing, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements and circulars in connection with the Rights Issue; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of despatch of share certificates for fully-paid Rights Shares and refund cheques (if any), which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material adverse change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If: (i) prior to the Latest Time for Termination any such notice is given by the Placing Agent to the Company; and/or (ii) all the Rights Shares have been taken up by the Qualifying Shareholders and/or the holders of the nil-paid rights on or before the Latest Time for Acceptance, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

The Underwriter confirms that it and parties acting in concert with it will not be involved in the solicitation, screening and selecting of placees in relation to the Unsubscribed Rights Shares.

The Placing Agent confirms that it is an Independent Third Party, and that there is no other arrangement, agreement, understanding or undertaking with the Underwriter in relation to the Shares.

The terms of the Placing Agreement (including the Placing commission of the higher of (i) a fixed fee of HK\$150,000 (or approximately US\$19,000) or (ii) 2% of the gross proceeds, from the successful placement of Unsubscribed Rights Shares) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms. The Directors consider that the terms of the Placing Agreement are fair and reasonable as far as the Independent Shareholders are concerned.

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Given that the Compensatory Arrangements would provide a compensatory mechanism for the No Action Shareholders and protect the interest of the Independent Shareholders, the Company consider that the Compensatory Arrangements are fair and reasonable as far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

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

THE UNDERWRITING AGREEMENT

The Rights Shares will be partially underwritten by Galloway as the Underwriter in accordance with the terms of the Underwriting Agreement. The principal terms and conditions of the Underwriting Agreement are set out below:

- Date: 26 September 2022 (after trading hours of the Stock Exchange)
- Parties:
- (1) The Company;
 - (2) Galloway as the Underwriter;
 - (3) Mr Mellon; and
 - (4) Indigo
- Underwriter: Galloway is indirectly wholly-owned by Mr Mellon who is a substantial shareholder of the Company and directly and indirectly through Galloway and Indigo interested in an aggregate of 506,680,329 Shares, representing approximately 21.11% of the issued share capital of the Company as at the Latest Practicable Date. It is not in the ordinary course of business of Galloway to underwrite securities. The Underwriter confirmed that it has complied with Rule 7.19(1)(b) of the Listing Rules.
- Number of Rights Shares to be underwritten by the Underwriter: Up to 1,569,711,046 Rights Shares, being all the Underwritten Rights Shares excluding the 506,680,329 Shares under the Irrevocable Undertakings.
- Underwriting Commission: Approximately HK\$1.23 million (or approximately US\$0.16 million), being 1% of the aggregate subscription amount in respect of the maximum number of Underwritten Shares (i.e. 1,569,711,046 Rights Shares) committed to be underwritten, subscribed for or procured subscription for by the Underwriter.

Subject to the terms and conditions set out in the Underwriting Agreement, if and to the extent that at the Latest Placing Time, there shall be any Unsubscribed 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 1,569,711,046 Rights Shares pursuant to the allocations under the terms set out in the Underwriting Agreement and on the terms as set out in the Prospectus Documents. The maximum underwriting commitment of the Underwriter shall be 1,569,711,046 Rights Shares.

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The terms of the Underwriting Agreement were determined after arm's length negotiations between the parties with reference to the financial position of the Group, the size of the Rights Issue, the current and expected market conditions, taking into consideration the prevailing market rates of underwriting commission in over 10 rights issue exercises undertaken by listed issuers in Hong Kong during the six months prior to the date of the Announcement which were underwritten with an average commission at 3.0% and rates ranging from 1.0% to 7.1%, trading liquidity and risks associated with the underwriting, the intention of the Underwriter to facilitate the Company's fundraising efforts for its business development and working capital requirements, and the relationship between the Underwriter, Mr Mellon and Indigo. The Directors are of the view that the terms of the Underwriting Agreement are fair and reasonable as far as the Independent Shareholders are concerned, 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.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the fulfilment (or waiver, if applicable, by the Underwriter) of the following conditions:

- (i) the passing by the Independent Shareholders at the EGM of (1) ordinary resolutions to approve the Underwriting Agreement, the Set Off, the Placing Agreement, the Rights Issue and the transactions contemplated thereunder (more than 50% of the Independent Shareholders at the EGM by way of poll); and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares by no later than the first day of their dealings;
- (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, not later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (v) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (vi) the Underwriting Agreement not being terminated in accordance with its terms;
- (vii) due compliance with and performance by the Company of all undertakings and obligations in all material respects under the Underwriting Agreement and all representations and warranties thereunder remain to be true and accurate in all material respects; and
- (viii) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

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If any of the conditions are not satisfied and/or waived by the Latest Time for Termination, the Underwriting Agreement shall terminate and the Rights Issue would not proceed, and any costs incurred by the Underwriter in connection with the Rights Issue and the transactions contemplated thereunder shall be borne by the Company.

At the EGM held on Thursday, 24 November 2022, the necessary resolutions for approving, among other things, the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders. The Underwriter and parties acting in concert with it and any Shareholders who are involved in or interested in the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and/or the Whitewash Waiver and those Shareholders who have a material interest in the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and/or the Whitewash Waiver different from other Shareholders, including but not limited to (i) the Directors (excluding independent non-executive Directors) and their associates who have abstained from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM; (ii) Shareholders who have a material interest in the transactions contemplated under the Underwriting Agreement and the Set Off; and (iii) the Underwriter and parties acting in concert with it and any Shareholders who are involved in or interested in the Rights Issue, the Set Off, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver, have abstained from voting on the relevant resolution(s) at the EGM.

As Mr Mellon and Jayne Allison Sutcliffe who is a concert party of Mr Mellon are materially interested in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, they were required to abstain from voting at the Board resolutions approving such matters. Save for Mr Mellon and Jayne Allison Sutcliffe, none of the Directors has any material interest in the Rights Issue, the Set Off, the Placing Agreement, the Underwriting Agreement and/or the Whitewash Waiver.

INFORMATION ON THE PARTIES

Information on the Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The Group is a diversified investment group based in Hong Kong currently holding various corporate and strategic investments focusing on the healthcare, wellness and life sciences sectors.

Information on the Underwriter

The Rights Issue will be underwritten by Galloway, which is wholly-owned by Mr Mellon who is a substantial shareholder of the Company. Galloway is a private limited liability company incorporated in British Virgin Islands and indirectly wholly-owned by Mr Mellon. Its principal business activities are investing in private and public value-driven entities, including managed funds, special situations and in the biopharma, cellular agriculture and finance sectors. In the event that Galloway becomes the controlling shareholder of the Company as a result of the taking up of the Unsubscribed Rights Shares under the Underwriting Agreement, it is the intention of Galloway to continue the existing businesses of the Group. Galloway has no intention to introduce any major changes to the businesses of the Group (including any redeployment of the fixed assets of the Group) or terminate the continued employment of the employees of the Group.

Mr Mellon is the non-executive Chairman of the Company, who together with the parties acting in concert with him held approximately 25.15% of the Shares as at the Latest Practicable Date and his biographical details are disclosed in the Company's 2021 Annual Report and under Appendix III – General Information of this prospectus.

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Information on the Placing Agent

Eddid Securities and Futures Limited, being the placing agent appointed by the Company pursuant to the Placing Agreement, is a corporation licensed to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTIONS SCHEME

As at the Latest Practicable Date, there are 70,218,000 outstanding Share Options. The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the Share Option Scheme. Based on the preliminary calculation by the Company, the number of Shares to be issued upon exercise of the Share Options upon the completion of the Rights Issue will possibly be adjusted in accordance with Rule 17.03(13) of the Listing Rules. Pursuant to the poll results of the extraordinary general meeting of the Company held on 8 June 2016, the Scheme Mandate Limit of up to 10% of the Shares in issue as at 8 June 2016 was passed, which was equivalent to 173,725,118 Shares. As such, the number of Shares to be issued upon exercise of the Share Options under the Share Option Scheme after the aforementioned adjustment would then continue to be within the Scheme Mandate Limit.

The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) when the aforementioned adjustment takes effect and such adjustment will be certified by the Independent Financial Adviser or auditors of the Company (as the case may be).

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

During the 12 months immediately preceding the Latest Practicable Date, the Company has not conducted any equity fundraising activities.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE, THE SET OFF, THE UNDERWRITING AGREEMENT AND INTENDED USE OF PROCEEDS

Financial position of the Group

As disclosed in the interim report of the Company for the period ended 30 June 2022, the net current liabilities of the Group as at 30 June 2022 was approximately US\$10.91 million (or approximately HK\$85.64 million), comprising current assets of approximately US\$4.57 million (or approximately HK\$35.87 million) and current liabilities of approximately US\$15.48 million (or approximately HK\$121.52 million).

As at 30 June 2022, the current assets of the Group mainly consisted of cash and bank balances of approximately US\$0.22 million (or approximately HK\$1.73 million) and financial assets at fair value through profit or loss of approximately US\$3.27 million (or approximately HK\$25.67 million), whereas the current liabilities of the Group mainly consisted of convertible notes (liability portion) due in August 2022 of approximately US\$2.57 million (or approximately HK\$20.17 million), shareholder's loans due within 12 months of approximately US\$7.92 million (or approximately HK\$62.17 million) and trade payables, deposit received, accruals and other payables amounted to approximately US\$4.49 million (or approximately HK\$35.25 million). The non-current liabilities of the Group as at 30 June 2022 amounted to approximately US\$6.69 million (or approximately HK\$52.52 million) comprising shareholder's loans due after 12 months but within 24 months of approximately US\$2.95 million (or approximately HK\$23.16 million) and deferred tax liabilities of approximately US\$3.67 million (or approximately HK\$28.81 million).

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The convertible notes (principals and accrued interests) of the Company due in August 2022 in the amount of approximately US\$2.72 million (or approximately HK\$21.35 million) were fully repaid by the Company on 23 August 2022 and accordingly, the cash and bank balances of the Group remains at a relatively low level at US\$0.79 million (or approximately HK\$6.20 million) as at 31 August 2022. Notwithstanding the deteriorating financial position of the Group, its total outstanding Shareholder's Loans amounted to approximately US\$13.40 million (or approximately HK\$105.19 million) as at 31 October 2022, of which (i) approximately US\$9.00 million (or approximately HK\$70.65 million) will be repayable in the first quarter of 2023; (ii) approximately US\$1.45 million (or approximately HK\$11.38 million) in the second quarter of 2023; (iii) approximately US\$1.54 million (or approximately HK\$12.09 million) in the third quarter of 2023; and (iv) approximately US\$1.41 million (or approximately HK\$11.07 million) in the last quarter of 2023. Interests accrued on the outstanding Shareholder's Loans as at 31 October 2022 amounted to approximately US\$1.31 million (or approximately HK\$10.28 million).

Business development

As previously announced, the Group has been engaging in a number of projects such as (i) continuing to pursue the successful commercialisation of Fortacin™/Senstend™ in the remaining key markets of the United States, China, Asia, Latin America and the Middle East; (ii) developing and patenting new aging clocks utilising new data types; (iii) providing its AgeMetric™ biological age reports to clinics and medical doctors for a fee; (iv) providing age prediction and recommendation services via software as a service (SaaS)® AI and on-premises instalment to the life and health insurance companies; and (v) developing its MindAge® offering through its mobile app and website together with partnering with insurance companies and other strategic commercial partners through its operating subsidiaries.

The Company's main business development activities will focus on its two wholly-owned subsidiaries:

Plethora – Fortacin™/Senstend™

- Assisting Wanbang Biopharmaceutical Co., Ltd. in completion of its randomised clinical trial and the submission of the study data to the National Medical Products Administration (NMPA) for approval of the New Drug Application (NDA) in China
- Progressing the phase III study protocol with The Food and Drug Administration of the United States (FDA) and commencement of the study with the view to submitting the NDA in 2023
- Assisting Recordati with the re-launch of Fortacin™ in its key territories in the European Union
- Assisting K.S. KIM International (SK-Pharma) Ltd with its regulatory approval for Fortacin™/Senstend™ in Israel and the Balkan region
- Commercialising the product in our other key areas

Deep Longevity

Deep Longevity (DL) is committed to building and commercialising various aging clocks using its artificial intelligence (AI) led deep learning models. DL is applying special focus to the following areas:

- Branded SaaS® platform called JuvAge™ which Longevity clinics, hospitals and medical doctors will be able to generate a variety of biological reports containing biological age prediction versus chronological age as well as recommendations towards better health and wellness

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- Commercially offering Blood Age, Mind Age, Epigenetic Age predictions through the JuvAge™ which will expand to include Transcriptomic Age and Microbiomic Age by the end of 2022, with the aim of building more features and functionality into the JuvAge™ over 2023
- Business development activities to launch JuvAge™ into the Provider universe
- Building the technology ecosystem that will deliver all DL aging clocks via JuvAge™ as well as white-labelled APIs as the opportunity arises
- Building traction with life insurance companies to transform underwriting through API based deliver of Blood Age and mortality predictions
- Offering Mind Age to life insurance companies, employers as an enabler for mental health and wellbeing
- Providing its MindAge® offering as it seeks to tap into the robust demand seen in the virtual mental health care market
- Expanding the research & IP base by adding more aging clocks, Transcriptomic Age and Microbiomic Age, as well as collaborating with academic institutions and enterprises to make existing clocks robust and relevant
- At this stage, DL is considering the creation of an enterprise grade MindAge® offering (web and app based) directed at large and mid-sized employers in the United States, the United Kingdom and Europe, which will be the platform of choice for employees to manage their virtual mental well-being in a safe, secure, private and personalized environment within the workplace.

The Company plans to continue progressing these projects through the remainder of 2022 and for 2023.

Funding needs

In light of the recent financial performance of the Group that included the material adverse impact brought on by the: (i) slower than anticipated progress in respect of regulatory approvals of Senstend™ in China and Fortacin™ in the United States, which has delayed the receipt of further milestone and other potential licensing payments; (ii) continued outbreak of COVID-19 Pandemic on the roll-out of Fortacin™ across currently untapped jurisdictions; and (iii) manufacturing issues experienced by the manufacturer of Fortacin™ together with the repayment obligations of the Group, the financial position of the Group has been deteriorating. The Board considers that it is vital for the Group to have access to additional funding and working capital in order to maintain its competitiveness in the market by (i) recapitalising its balance sheet; (ii) reducing future financing costs; and (iii) allowing for sufficient working capital to achieve the short-to-medium plan on business development of the Group.

Fund raising alternatives

The Directors have evaluated various debt and/or equity fund raising alternatives such as borrowings from banks and/or financial institutions, placing of new Shares, an open offer or rights issue by the Company.

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Among these alternatives, the Directors noted (i) the significant increase in borrowing costs as a result of the recent global interest rate hikes, and the difficulties which the Group has been facing in negotiations with its main commercial bank for business loans given its unsatisfactory financial performance and the reluctance to accept intangible assets as collaterals for secured lending by creditors; (ii) the current bearish market sentiment which adversely affects the willingness of potential investors to participate in equity placements, and given the scale of the proposed fund raising exercise, the inevitable material dilution on shareholdings of existing shareholders of the Company without offering them the opportunity to participate in such exercise; and (iii) the similarities between an open offer and a rights issue which provide the Qualifying Shareholders with the equal opportunity to participate in proportion to their existing shareholding interests, however, an open offer does not allow the trading of rights entitlements in the open market and accordingly, Shareholders must either participate in the offer or lose the benefit of any discount at which the new shares are offered. On the other hand, after taking into consideration, among other factors, its business development plan, financial situation and core corporate value of equality in treatment to Shareholders, the Directors are of the view that a rights issue is the most suitable and equitable fund raising alternative for the Company and provides an opportunity for existing Qualifying Shareholders to participate in the future development of the Company.

The Directors consider that the Rights Issue would be in the best interests of the Company and Shareholders as a whole because it: (i) offers certainty as to the fund raising size by the Company as it is partially underwritten; (ii) allows the Group to recapitalise its balance sheet by repaying in full the Shareholder's Loans from the proceeds received and the Set Off to be implemented; (iii) significantly improves the financial position and gearing ratio of the Group by turning the Company into an essentially debt free enterprise; (iv) facilitates the Group in reducing its future financing costs by early repayment of its outstanding debts; (v) provides sufficient working capital to the Group for its on-going requirements and business development requirements; and (vi) gives the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

The Underwriting Agreement and the Set Off

As abovementioned, the Rights Issue is partially underwritten to provide certainty as to the minimum amount of proceeds that could be raised through the exercise for the Company. The Company approached three different independent securities brokers in respect of the proposed underwriting of the Unsubscribed Rights Shares without success mainly due to the prevailing poor market conditions, recent financial performance of the Group, thin trading volume of the Shares and/or demand for high underwriting fees. In view of the difficulty in securing an underwriter for the Rights Issue, the Company then approached its substantial shareholder, Mr Mellon, for acting as the underwriter for the Rights Issue. Although Mr Mellon is not engaged in the underwriting business, he nominated his wholly-owned entity, Galloway, to act as the Underwriter of the Unsubscribed Rights Shares in accordance with the terms and conditions of the Underwriting Agreement to show his strong support towards the Group and confidence in its future prospects.

Terms and conditions of the Underwriting Agreement were arrived at after arms-length negotiations between the Company and the Underwriter. In particular, the Set Off as stipulated under the Underwriting Agreement was one of the key factors which induced Galloway, being the creditor of the Shareholder's Loans of the Company, to act as the Underwriter for the Unsubscribed Rights Shares as the Set Off would effectively minimise the amount of cash outlay required from the Underwriter for subscription of the Unsubscribed Rights Shares pursuant to the terms of the Underwriting Agreement.

LETTER FROM THE BOARD

From the Company's perspective, by assuming that completion of the Rights Issue will take place in February 2023, the Directors noted that (i) approximately 86.0% of the total outstanding Shareholder's Loans will become due within six months after the completion of the Rights Issue; (ii) the Group will be able to save estimated interest expense of approximately US\$0.65 million (or approximately HK\$5.10 million) per annum in the event that it repays the full amount of the outstanding Shareholder's Loans immediately after the completion of the Rights Issue; and (iii) any savings in interest expense on Shareholder's Loans can be redeployed to support the continuous business development of the Group, and accordingly, they considered that the proposed Set Off is justifiable and beneficial to the Group.

Save for the Set Off, the Company does not have any similar set-off arrangements in relation to these loans.

Intended use of proceeds

The estimated net proceeds from the Rights Issue after deducting all necessary expenses of approximately HK\$6.28 million (or approximately US\$0.80 million) will be approximately HK\$182.15 million (or approximately US\$23.20 million) by issuing 2,400,347,881 Rights Shares (assuming (i) full acceptance by the Qualifying Shareholders under the Rights Issue; and (ii) no change in the issued share capital of the Company on or before the Record Date). The Group intends to apply the net proceeds for the following purposes:

- (i) approximately 63.63% of the net proceeds (up to approximately HK\$115.90 million, or approximately US\$14.76 million) will be used for the Set Off upon completion of the Rights Issue;
- (ii) approximately 26.37% of the net proceeds (up to approximately HK\$48.04 million, or approximately US\$6.12 million) will be used for implementation of business development plan as described under the paragraph headed "Business Development" above, of which approximately 70% will be utilised for the developments of Fortacin™/Senstend™ mainly involving the phase III study protocol with the FDA and approximately 30% will be mainly used for the development of DL's Branded SaaS[®] platform called JuvAge™, commercial offerings of Blood Age, Mind Age and Epigenetic Age and continual research and developments on DL's existing and new aging clocks, Transcriptomic Age and Microbiomic Age over the 12-month period following completion of the Rights Issue; and
- (iii) the remaining 10.00% of the net proceeds (up to approximately HK\$18.21 million, or approximately US\$2.32 million) will be used as general working capital of the Group following completion of the Rights Issue.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

Assuming no new Shares are allotted and issued pursuant to any exercise of the Share Options and no other change in the issued share capital of the Company on or before the Record Date, the net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares are expected to be approximately HK\$0.076.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Scenario 1: Assuming no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date

Shareholders	As at the Latest Practicable Date		Full acceptance of the Rights Shares by all the Rights Shareholders		Nil acceptance of the Rights Shares by the Qualifying Shareholders except for Mr Mellon pursuant to the Irrevocable Undertakings and all of the Unsubscribed Rights Shares are placed to the Places under the Compensatory Arrangements		Nil acceptance of the Rights Shares by the Qualifying Shareholders except for Mr Mellon pursuant to the Irrevocable Undertakings, none of the Unsubscribed Rights Shares are placed and 1,569,711,046 of the Underwritten Rights Shares are taken up by the Underwriter	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
	Mr Mellon	403,806,071	16.82	807,612,142	16.82	807,612,142	16.82	807,612,142
Galloway ^(Note 1)	77,082,353	3.21	154,164,706	3.21	154,164,706	3.21	1,723,875,752	38.51
Indigo ^(Note 1)	25,791,905	1.08	51,583,810	1.08	51,583,810	1.08	51,583,810	1.15
Mr Mellon's parents	430,000	0.01	860,000	0.01	430,000	0.01	430,000	0.01
Jamie Alexander Gibson ^(Notes 2 and 6)	89,396,748	3.73	178,793,496	3.73	89,396,748	1.86	89,396,748	2.00
Julie Oates ^(Notes 3 and 6)	1,000,000	0.04	2,000,000	0.04	1,000,000	0.02	1,000,000	0.02
Stawell Mark Searle ^(Notes 3 and 6)	3,170,292	0.13	6,340,584	0.13	3,170,292	0.07	3,170,292	0.07
Jayne Allison Sutcliffe ^(Note 4)	1,716,046	0.07	3,432,092	0.07	1,716,046	0.03	1,716,046	0.04
Anderson Whamond ^(Note 5)	1,400,000	0.06	2,800,000	0.06	1,400,000	0.03	1,400,000	0.03
Mr Mellon and parties acting in concert or presumed acting in concert with him	603,793,415	25.15	1,207,586,830	25.15	1,110,473,744	23.13	2,680,184,790	59.87
Placees	-	-	-	-	1,893,667,552	39.45	-	-
Other public Shareholders	1,796,554,466	74.85	3,593,108,932	74.85	1,796,554,466	37.42	1,796,554,466	40.13
Total	2,400,347,881	100.00	4,800,695,762	100.0	4,800,695,762	100.0	4,476,739,256	100.0

Notes:

- Both Galloway and Indigo are wholly-owned by Mr Mellon.
- Jamie Alexander Gibson is an executive Director and the chief executive officer of the Company.
- Julie Oates and Stawell Mark Searle are independent non-executive Directors.
- Jayne Allison Sutcliffe is a non-executive Director. She is also regarded as acting in concert for the purpose of the Takeovers Code with Mr Mellon.
- Anderson Whamond is a former Director. He is also acting in concert for the purpose of the Takeovers Code with Mr Mellon.
- Each of Jamie Alexander Gibson, Julie Oates and Stawell Mark Searle is a Director and is presumed to be acting in concert with the Underwriter under class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Rights Issue. This class (6) presumption will cease to apply after completion of the Rights Issue. Other than such presumption, none of Jamie Alexander Gibson, Julie Oates and Stawell Mark Searle is a party acting in concert with the Underwriter or Mr Mellon under the definition of "acting in concert" under the Takeovers Code.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed therein are due to rounding adjustments.

LETTER FROM THE BOARD

Scenario 2: Assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date

Shareholders	As at the Latest Practicable Date		Immediately after full exercise of all Share Options except for Mr Mellon but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date		Full acceptance of the Rights Shares by all Qualifying Shareholders		Nil acceptance of the Rights Shares by the Qualifying Shareholders except for Mr Mellon pursuant to the Irrevocable Undertakings and all of the Unsubscribed Rights Shares are placed to the Places under the Compensatory Arrangements		Nil acceptance of the Rights Shares by the Qualifying Shareholders except for Mr Mellon pursuant to the Irrevocable Undertakings, none of the Unsubscribed Rights Shares are placed and 1,569,711,046 of the Underwritten Rights Shares are taken up by the Underwriter	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
	Mr Mellon	403,806,071	16.82	403,806,071	16.36	807,612,142	16.36	807,612,142	16.36	807,612,142
Galloway <i>(Note 1)</i>	77,082,353	3.21	77,082,353	3.12	154,164,706	3.12	154,164,706	3.12	1,723,875,752	37.93
Indigo <i>(Note 1)</i>	25,791,905	1.08	25,791,905	1.05	51,583,810	1.05	51,583,810	1.05	51,583,810	1.13
Mr Mellon's parents	430,000	0.01	430,000	0.02	860,000	0.02	430,000	0.01	430,000	0.01
Jamie Alexander Gibson <i>(Notes 2 and 6)</i>	89,396,748	3.73	107,766,748	4.36	215,533,496	4.36	107,766,748	2.18	107,766,748	2.37
Julie Oates <i>(Notes 3 and 6)</i>	1,000,000	0.04	2,837,000	0.12	5,674,000	0.12	2,837,000	0.06	2,837,000	0.06
Stawell Mark Searle <i>(Notes 3 and 6)</i>	3,170,292	0.13	5,007,292	0.20	10,014,584	0.20	5,007,292	0.10	5,007,292	0.11
Jayne Allison Sutcliffe <i>(Note 4)</i>	1,716,046	0.07	3,553,046	0.14	7,106,092	0.14	3,553,046	0.07	3,553,046	0.08
Anderson Whamond <i>(Note 5)</i>	1,400,000	0.06	1,400,000	0.06	2,800,000	0.06	1,400,000	0.03	1,400,000	0.03
Mr Mellon and parties acting in concert or presumed acting in concert with him	603,793,415	25.15	627,674,415	25.43	1,255,348,830	25.43	1,134,354,744	22.97	2,704,065,790	59.49
Places	-	-	-	-	-	-	1,962,048,552	39.74	-	-
Other public Shareholders	1,796,554,466	74.85	1,841,054,466	74.57	3,682,108,932	74.57	1,841,054,466	37.29	1,841,054,466	40.51
Total	2,400,347,881	100.00	2,468,728,881	100.00	4,937,457,762	100.00	4,937,457,762	100.00	4,545,120,256	100.00

Notes:

- Both Galloway and Indigo are wholly-owned by Mr Mellon.
- Jamie Alexander Gibson is an executive Director and the chief executive officer of the Company.
- Julie Oates and Stawell Mark Searle are independent non-executive Directors.
- Jayne Allison Sutcliffe is a non-executive Director. She is also regarded as acting in concert for the purpose of the Takeovers Code with Mr Mellon.
- Anderson Whamond is a former Director. He is also acting in concert for the purpose of the Takeovers Code with Mr Mellon.
- Each of Jamie Alexander Gibson, Julie Oates and Stawell Mark Searle is a Director and is presumed to be acting in concert with the Underwriter under class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Rights Issue. This class (6) presumption will cease to apply after completion of the Rights Issue. Other than such presumption, none of Jamie Alexander Gibson, Julie Oates and Stawell Mark Searle is a party acting in concert with the Underwriter or Mr Mellon under the definition of "acting in concert" under the Takeovers Code.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed therein are due to rounding adjustments.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, 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 section headed “Termination of the Underwriting Agreement” of this prospectus). Accordingly, the Rights Issue may or may not proceed.

The Rights Issue is only partially underwritten. Pursuant to the Company’s constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares or otherwise subscribed by the Underwriter or other subscribers procured by it pursuant to the Underwriting Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 29 November 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 15 December 2022 to Thursday, 22 December 2022. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). 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 and the nil-paid Right Shares.

FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Endurance RP Limited
Jamie Alexander Gibson
Executive Director

* For identification purposes only

1. THREE-YEAR FINANCIAL SUMMARY

Set out below is a summary of the consolidated financial results of the Group for each of the three years ended 31 December 2019, 2020 and 2021 as extracted from the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021, and the unaudited consolidated interim results of the Group for the six months ended 30 June 2021 and 2022 as extracted from the interim report of the Company for the six months ended 30 June 2021 and 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended		For the year ended		
	30 June		31 December		
	2022	2021	2021	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Total income and fair value (loss)/ gain on financial instruments	<u>(5,419)</u>	<u>19,037</u>	<u>18,235</u>	<u>2,149</u>	<u>(313)</u>
Income less expenses before impairment losses and provision	(20,770)	2,503	(13,873)	(24,880)	(38,114)
Reversal of impairment	-	-	-	6,126	-
Impairment losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,700)</u>	<u>(26,000)</u>
Operating loss after impairment losses and provision	(20,770)	2,503	(13,873)	(24,454)	(64,114)
Finance costs	<u>(580)</u>	<u>(645)</u>	<u>(1,218)</u>	<u>(1,706)</u>	<u>(620)</u>
Loss before taxation	(21,350)	1,858	(15,091)	(26,160)	(64,734)
Tax credit/(taxation)	<u>1,288</u>	<u>803</u>	<u>2,493</u>	<u>1,764</u>	<u>(1,265)</u>
Loss for the period/year	(20,062)	2,661	(12,598)	(24,396)	(65,999)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(49)</u>
Loss attributable to shareholders of the Company	<u>(20,062)</u>	<u>2,661</u>	<u>(12,598)</u>	<u>(24,395)</u>	<u>(66,048)</u>
(Loss)/profit for the period/year attributable to:					
Owners of the Company	(20,062)	2,661	(12,598)	(24,395)	(66,048)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>49</u>
	<u>(20,062)</u>	<u>2,661</u>	<u>(12,598)</u>	<u>(24,396)</u>	<u>(65,999)</u>

	For the six months ended		For the year ended		
	30 June		31 December		
	2022	2021	2021	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Total comprehensive income attributable to:					
Owners of the Company	(19,636)	2,852	(12,064)	(24,877)	(66,808)
Non-controlling interests	—	—	—	(1)	49
	<u>(19,636)</u>	<u>2,852</u>	<u>(12,064)</u>	<u>(24,878)</u>	<u>(66,759)</u>
(Loss)/earnings per share attributable to owners of the Company:					
– basic (US cent(s))	<u>(0.836)</u>	<u>0.111</u>	<u>(0.525)</u>	<u>(1.312)</u>	<u>(3.594)</u>
– diluted (US cent(s))	<u>(0.836)</u>	<u>0.110</u>	<u>(0.525)</u>	<u>(1.312)</u>	<u>(3.594)</u>
– basic (HK cent(s))	<u>(6.542)</u>	<u>0.862</u>	<u>(4.120)</u>	<u>(10.176)</u>	<u>28.128</u>
– diluted (HK cent(s))	<u>(6.542)</u>	<u>0.854</u>	<u>(4.120)</u>	<u>(10.176)</u>	<u>28.128</u>

For each of the three years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022, no dividend or dividend per share has been declared by the Group. Save as disclosed in the consolidated financial statements of the Group for each of the three years ended 31 December 2019, 2020 and 2021 and the unaudited consolidated interim results of the Group for the six months ended 30 June 2021 and 2022, there were no material items of income or expense for each of the three years ended 31 December 2019, 2020 and 2021 and for the six months ended 30 June 2021 and 2022.

2. AUDITED FINANCIAL INFORMATION

The Company is required to set out or refer to in this prospectus the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes of equity and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”); (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”); (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2021 (the “**2021 Interim Financial Statements**”); and (v) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 (the “**2022 Interim Financial Statements**”), together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2019 Financial Statements are set out on pages 110 to 200 of the annual report of the Company for the year ended 31 December 2019, which was published on 29 April 2020 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042900423.pdf>

The 2020 Financial Statements are set out on pages 114 to 208 of the annual report of the Company for the year ended 31 December 2020, which was published on 26 April 2021 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042600310.pdf>

The 2021 Financial Statements are set out on pages 124 to 265 of the annual report of the Company for the year ended 31 December 2021, which was published on 26 April 2022 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042600812.pdf>

The 2021 Interim Financial Statements are set out on pages 24 to 74 of the interim report of the Company for the six months ended 30 June 2021, which was published on 23 September 2021 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0923/2021092300767.pdf>

The 2022 Interim Financial Statements are set out on pages 22 to 76 of the interim report of the Company for the six months ended 30 June 2022, which was published on 27 September 2022 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0927/2022092700275.pdf>

3. NO MATERIAL ADVERSE CHANGE

The Directors confirm that, save as disclosed below and in the paragraph headed “6. Business Review and Financial and Trading Prospects” below in this Appendix and as disclosed in the 2022 Interim Financial Statements, there has been no material adverse change in the financial or trading positions or outlook of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date:

- (i) the Group’s revenue for the six months ended 30 June 2022 (“**1H2022**”) was approximately US\$0.09 million, representing a decrease of approximately US\$3.65 million or 97.59%, as compared to revenue for the six months ended 30 June 2021 (“**1H2021**”) of approximately US\$3.74 million. The decrease in revenue was mainly due to (a) the Group recognised milestone payment of US\$3.20 million for 1H2021 whereas there was no milestone payment recognised for 1H2022 as a result of slower than anticipated progress in respect of regulatory approvals of Senstend™ in China and Fortacin™ in the United States, which has delayed the milestone and other licensing payments; and (b) the Group recorded royalty income of approximately US\$0.01 million for 1H2022, decreased by approximately US\$0.06 million or approximately 82.43% as compared to 1H2021, due to no supply of Fortacin™ during the period as certain manufacturing issues were experienced by the manufacturer. The Group recorded net loss attributable to shareholders of the Company of approximately US\$20.06 million for 1H2022 as compared net profit attributable to shareholders of the Company of approximately US\$2.66 million for 1H2021, which was mainly due to (i) decrease in the Group’s revenue for 1H2022 by approximately US\$3.66 million as mentioned above; and (ii) realised and unrealised marked-to-market loss in respect of the Company’s financial assets at fair value through profit or loss (“**FAFVPL**”) of approximately US\$4.35 million recorded for 1H2022 (realised and unrealised marked-to-market gain on FAFVPL of approximately US\$12.19 million recorded for 1H2021);
- (ii) the Group recorded net current liabilities of approximately US\$10.91 million as at 30 June 2022 as compared to net current assets of approximately US\$1.87 million as at 31 December 2021. The change from net current assets to net current liabilities position was mainly due to the decrease in the carrying value of FAFVPL and increase in short-term shareholder’s loans;
- (iii) on 18 August 2022, the Company and Galloway entered into a shareholder’s loan agreement with a principal amount of US\$2.52 million. The shareholder’s loan was unsecured, interest bearing at 5.50% per annum and repayable on the date falling six months after the date of the agreement; and
- (iv) on 23 August 2022, the Company fully repaid the outstanding convertible notes and accrued interests of approximately US\$2.72 million by cash.

4. INDEBTEDNESS

As at the close of business on 31 October 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, apart from the intra-group liabilities:

- a) the Group had outstanding (i) principal of Galloway Loans and accrued interests owing to Galloway Limited (a private limited liability company indirectly wholly-owned by Mr Mellon, a substantial shareholder who is also a Director and Chairman of the Company, amounting to approximately US\$13,402,000, which comprised an unsecured, interest-free loan amounting to approximately US\$729,000 and repayable in September 2022 and a series of unsecured loans amounting to approximately US\$12,673,000 bearing interest rate ranging from 5% to 5.5% per annum and repayable from October 2022 to December 2023, and approximately US\$1,309,000 respectively; (ii) lease liabilities of approximately US\$382,000, representing the present value of the remaining lease payments of certain premises; and (iii) bank borrowing, which is supported by the Bounce Back Loan Scheme managed by the British Business Bank, amounting to approximately GBP23,000 (or approximately US\$26,000), with interest bearing at 2.5% per annum and repayable in May 2026. None of the Galloway Loans, lease liabilities or bank borrowing are guaranteed or secured;
- b) the Group had a bank deposit amounting to US\$32,000 held by the bank as security for the corporate credit cards provided to a subsidiary;
- c) the Group did not have any material outstanding liabilities in respect of mortgage, charges, bank overdrafts, loans or similar indebtedness or hire purchase commitments; and
- d) the Group did not have material contingent liabilities or guarantees.

5. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, taking into account the financial resources available to the Group, including internally generated funds, credit facilities, cash and cash equivalents on hand and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital to satisfy its requirements for at least 12 months from the date of this prospectus.

6. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

The economic rebound, post-COVID-19 Pandemic, has continued with global gross domestic product (“GDP”) in Q1 around 4.8% above its pre-COVID-19 level and only 1.5% below its pre-COVID-19 Pandemic trend. However, high inflation, the war in Ukraine and tighter monetary conditions, along with Chinese lockdowns, have combined to cause the underlying pace of expansion to moderate significantly. The fall was largely contributed to by China, where the lockdowns likely saw GDP fall by around 2% for the period. In the rest of the world, growth was also weak, with GDP expected to be up only a modest 0.25%. In the United States, much of the weakness is attributable to a softer pace of inventories accumulation and falling exports, with domestic demand generally remaining robust. We are also beginning to witness a more fundamental slowdown in the United Kingdom and Europe, where high energy prices, and the resultant fall in real wages, are beginning to impact on growth prospects.

Into next year the outlook is bleak, exacerbated by elevated inflation. Many of the world’s major economies, including the United States, United Kingdom, Europe and Japan, are likely to enter recession over the next 12-18 months, as strong inflation weighs on real incomes and sentiment, and as monetary policy moves from being highly accommodative to contractionary.

Over the remainder of 2022, risks are skewed towards the downside given the possibility that falling risk assets will drive the advanced economies into recession sooner than expected. A sharper slowdown is more likely than a soft landing. Energy markets remain a key risk and if Russia were to weaponize the flow of energy commodities to Europe, further dramatic price increases would follow almost certainly pushing Europe and the rest of the world into a deeper recession. With China and Hong Kong planning to stick with the zero COVID-19 Pandemic policy for the foreseeable future, it is likely that China will have further outbreaks and lockdowns, which, given the large contribution China makes to global growth, will likely drive further output volatility and supply disruption. Finally, with the Federal Reserve Board (the “**Fed**”) planning to reduce the size of its balance sheet from September 2022, the risks of significant financial volatility and poor market liquidity will build as the year progresses, potentially forcing the Fed to pause at some stage.

Given the complex and constantly evolving situation around the COVID-19 Pandemic and the impacts of heightened inflation and dampened global growth, it is not possible to predict the possible future impacts to the Group, including any further negative impacts on the Group’s efforts to achieve a timely and successful commercialisation of Fortacin™ in China and elsewhere, as well as any subsequent impact on the Group’s cash flow, revenue and prospects. It is therefore reasonable to assume that stock exchanges over the world will remain very volatile and shares may be subject to extraordinary swings. There is thus a risk that the price of the Company’s shares might follow general market volatility, regardless of results and performance of the Group and decline significantly in value.

In light of the recent financial performance of the Group that included the material adverse impact brought on by the: (i) slower than anticipated progress in respect of regulatory approvals of Senstend™ in China and Fortacin™ in the United States, which has delayed the receipt of further milestone and other potential licensing payments; (ii) continued outbreak of COVID-19 Pandemic on the roll-out of Fortacin™ across currently untapped jurisdictions; and (iii) manufacturing issues experienced by the manufacturer of Fortacin™ together with the repayment obligations of the Group, the consolidated financial position of the Group as shown in the Condensed Consolidated Statement of Financial Position contained in the interim report of the Company dated 27 September 2022 has been deteriorating as the Group recorded net current liabilities as at 30 June 2022. The Board considers that it is vital for the Group to have access to additional funding and working capital in order to maintain its competitiveness in the market by (i) recapitalising its balance sheet; (ii) reducing its financing costs; and (iii) allowing for sufficient working capital to achieve the short to medium plan on business development of the Group.

The Directors consider that the Rights Issue would be in the best interests of the Company and the Shareholders as a whole because it: (i) offers certainty as to the fund raising size by the Company as it is partially underwritten; (ii) allows the Group to recapitalise its balance sheet by repaying in full the Shareholder’s Loans from the proceeds received and the Set Off to be implemented; (iii) significantly improves the financial position and gearing ratio of the Group by turning the Company into an essentially debt free enterprise; (iv) facilitates the Group in reducing its future financing costs by early repayment of its outstanding debts; (v) provides sufficient working capital to the Group for its on-going requirements and business development requirements; and (vi) gives the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

With a streamlined focus and a debt free balance sheet (on the assumption that the set off is completed), the Company remains excited about the future prospects for the Group and the Shareholders. The Group will continue to pursue its stated business development objectives of its two main subsidiaries, in summary being:

Plethora

- Assisting Wanbang Biopharmaceutical Co., Ltd. in completion of its randomised clinical trial and the submission of the study data to the National Medical Products Administration (NMPA) for approval of the New Drug Application (“NDA”) in China
- Progressing the phase 3 study protocol with The Food and Drug Administration of the United States (FDA) and commencement of the study with the view to submitting the NDA in 2023
- Assisting Recordati S.p.A with the re-launch of Fortacin™ in its key territories in the European Union
- Assisting K.S. KIM International (SK-Pharma) Ltd with its regulatory approval for Fortacin™/Senstend™ in Israel and the Balkan region
- Commercialising Fortacin™/Senstend™ in our other key areas as mentioned above

Deep Longevity

Building and commercialising various aging clocks using its artificial intelligence (“AI”) led deep learning models. Deep Longevity (“DL”) is applying special focus to the following areas:

- Branded SaaS platform called JuvAge™ which longevity clinics, hospitals and medical doctors will be able to generate a variety of biological reports containing biological age prediction versus chronological age as well as recommendations towards better health and wellness
- Commercially offering Blood Age, Mind Age, Epigenetic Age predictions through the JuvAge™ which will expand to include Transcriptomic Age and Microbiomic Age by the end of 2022, with the aim of building more features and functionality into the JuvAge™ over 2023
- Business Development activities to launch JuvAge™ into the Provider universe
- Building the technology ecosystem that will deliver all DL aging clocks via JuvAge™ as well as white-labelled application programming interfaces (APIs) as the opportunity arises
- Building traction with life insurance companies to transform underwriting through API based deliver of Blood Age and mortality predictions
- Offering Mind Age to life insurance companies, employers as an enabler for mental health and wellbeing
- Providing its MindAge® offering as it seeks to tap into the robust demand seen in the virtual mental health care market
- Expanding the research & intellectual properties (IP) base by adding more aging clocks, Transcriptomic Age and Microbiomic Age, as well as collaborating with academic institutions and enterprises to make existing clocks robust and relevant

The Group will also continue monitoring its investments in DEVELOP Global Limited and continue with its existing strategy of pursuing strategic and value-led investments in the healthcare and life sciences sectors.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue under two scenarios on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as if the Rights Issue had taken place on 30 June 2022.

The Unaudited Pro Forma Financial Information is prepared under two scenarios for illustrative purposes only, based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the equity holders of the Company had the Rights Issue been completed as at 30 June 2022 or at any future date. The two scenarios are (A) assuming all Qualifying Shareholders subscribe for their entitlements under the Rights Issue and (B) no Qualifying Shareholders take up their entitlements under the Rights Issue except for Mr Mellon pursuant to the Irrevocable Undertakings, none of the Unsubscribed Rights Shares are placed and all of the Underwritten Rights Shares are taken up by Galloway as the Underwriter. Under this scenario, Galloway, which has signed the Underwriting Agreement with the Company, will take up the Underwritten Rights Shares, as set out in the Underwriting Agreement.

The Unaudited Pro Forma Financial Information of the Group is prepared by the Directors based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2022, as extracted from the Group's published interim report for the six months ended 30 June 2022, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

	Unaudited consolidated net tangible (liabilities) of the Group attributable to the equity holders of the Company as at 30 June 2022 (Note 1) US\$'000	Estimated net proceeds from the Rights Issue (Note 2) US\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2022 immediately after completion of the Rights Issue US\$'000	Unaudited consolidated net tangible (liabilities) of the Group attributable to the equity holders of the Company as at 30 June 2022 (Note 3) US\$	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2022 immediately after completion of the Rights Issue per Share (Note 4) US\$
Scenario A – Based on 2,399,421,215 Rights Shares to be issued at the Subscription Price of HK\$0.0785 per Rights Share	(17,051)	23,194	6,143	(0.0071)	0.0013
Scenario B – Based on 2,076,391,375 Rights Shares to be issued at the Subscription Price of HK\$0.0785 per Rights Share	(17,051)	19,964	2,913	(0.0071)	0.0007

Notes:

- The unaudited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2022 is based on the unaudited consolidated net assets attributable to the equity holders of the Company as at 30 June 2022 of approximately US\$19,261,000 after deducting intangible assets of approximately US\$36,312,000, as extracted from the published interim report of the Group for the six months ended 30 June 2022.
- Scenario A**

Assuming all Qualifying Shareholders take part in the Rights Issue, the estimated net proceeds from the Rights Issue are based on 2,399,421,215 Rights Shares to be issued on the basis of one Rights Share for every one Share in issue as at 30 June 2022 at the Subscription Price of HK\$0.0785 (or translated into US\$ at exchange rate of US\$1: HK\$7.85 of approximately US\$0.01) each per Rights Share, after deduction of the total estimated related expenses including, among others, professional fees, of approximately US\$800,000 and without taking into account of any additional Shares to be issued, if any, upon the exercise of any Share Options and any share awards become fully vested. The estimated net proceeds are approximately US\$23,194,000.

Scenario B

As explained above, Scenario B assumes none of the Qualifying Shareholders takes up their entitlements under the Rights Issue except for Mr Mellon pursuant to the Irrevocable Undertakings, none of the Unsubscribed Rights Shares are placed and all of the Underwritten Rights Shares are taken up by Galloway as the Underwriter. In addition, under the Underwriting Agreement, Galloway is obligated to take up the Underwritten Rights Shares equivalent to approximately US\$15,697,000 at HK\$0.0785/Rights Share or US\$0.01/Rights Share. Accordingly, under Scenario B, Mr Mellon pursuant to the Irrevocable Undertakings and Galloway pursuant to the Underwriting Agreement will take up 506,680,329 and 1,569,711,046 Rights Shares respectively, giving rise to proceeds on subscription at HK\$0.0785 (or US\$0.01)/Rights Share of approximately US\$5,067,000 and US\$15,697,000 respectively. After deduction of the total estimated related expenses including, among others, professional fees, of approximately US\$800,000 and without taking into account of any additional Shares to be issued, if any, upon the exercise of any Share Options and any share awards become fully vested, the estimated net proceeds are approximately US\$19,964,000.

- The unaudited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2022 per Share was approximately US\$0.0071 which was based on the unaudited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2022 of approximately US\$17,051,000 divided by 2,399,421,215 Shares in issue as at 30 June 2022.

4. Scenario A

Assuming all Qualifying Shareholders take part in the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2022 immediately after completion of the Rights Issue per Share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2022 immediately after completion of the Rights Issue of approximately US\$6,143,000, divided by 4,798,842,430 Shares deemed to be in issue, being the total of 2,399,421,215 Shares in issue as at 30 June 2022 and 2,399,421,215 Rights Shares that would have been issued under the Rights Issue assuming the Rights Issue has been completed on 30 June 2022 but takes no account of any Shares to be issued, if any, upon the exercise of any Share Options and any share awards become fully vested.

Scenario B

Assuming only Mr Mellon and Galloway will subscribe in the Rights Issue pursuant to the Irrevocable Undertakings and the Underwriting Agreement as described in Scenario B of Note 2 above, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2022 immediately after completion of the Rights Issue per Share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2022 immediately after completion of the Rights Issue of approximately US\$2,913,000, divided by 4,475,812,590 Shares deemed to be in issue, being the total of 2,399,421,215 Shares in issue as at 30 June 2022, 506,680,329 Rights Shares and 1,569,711,046 Rights Shares that would have been issued to Mr Mellon pursuant to the Irrevocable Undertakings and Galloway pursuant to the Underwriting Agreement respectively under the Rights Issue assuming the Rights Issue has been completed on 30 June 2022 but takes no account of any Shares to be issued, if any, upon the exercise of any Share Options and any share awards become fully vested.

5. No adjustment has been made to the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company to reflect any trading or other transactions of the Group entered into subsequent to 30 June 2022.
6. Subsequent to 30 June 2022 and up to the date of issuing this Unaudited Pro Forma Financial Information, 926,666 share awards to two consultants of the Group were vested and 926,666 Shares were issued upon vesting which were not issued to Mr Mellon, Indigo and Galloway.

Scenario A

Assuming all Qualifying Shareholders take part in the Rights Issue and the number of existing Shares entitled to the Rights Issue also increased by 926,666, the estimated net proceeds from the Rights Issue will be increased by approximately US\$9,000 which are based on the additional 926,666 Rights Shares to be issued at the Subscription Price described in Note 2 above, less any further related expenses which are estimated to be immaterial. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after the completion of Rights Issue, and taking into account of additional 926,666 Shares, per Share will be approximately US\$0.0013.

Scenario B

Assuming those holders of 926,666 Shares will not subscribe in the Rights Issue and only Mr Mellon pursuant to the Irrevocable Undertakings and Galloway pursuant to the Undertaking Agreement will subscribe in the Rights Issue as described in Scenario B of Note 2 above, the estimated net proceeds from the Rights Issue will be the same as described in Scenario B of Note 2 above, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after the completion of Rights Issue, per Share will be approximately US\$0.0007.

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

The following is the text of a report, prepared for the purpose of inclusion in this prospectus, received from the reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group.



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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**To the directors of Endurance RP Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Endurance RP Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2022 and related notes as set out in Section A of Appendix II to the prospectus of the Company dated 13 December 2022 (the “**Prospectus**”) in connection with the proposed rights issue on the basis of one rights share for every one existing share of the Company (the “**Rights Issue**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section 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 Rights Issue on the Group’s financial position as at 30 June 2022 as if the Rights Issue had taken place at 30 June 2022. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s condensed consolidated financial information for the six months ended 30 June 2022, on which no auditor’s report 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 (“**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 the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

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

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

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

The purpose of the unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 June 2022 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

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

BDO Limited

Certified Public Accountants

Hong Kong

13 December 2022

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus (other than the information relating to the Underwriter and parties acting in concert with it) 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 (other than the information relating to the Underwriter and parties acting in concert with it) or this prospectus misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this prospectus (other than those relating to Galloway and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this prospectus (other than those expressed by the sole director of Galloway) have been arrived at after due and careful consideration and there are no other facts not contained in this prospectus, the omission of which would make any statement in this prospectus misleading.

The sole director of Galloway and Indigo, namely Denham Eke, accepts full responsibility for the accuracy of the information pertaining to Galloway and Indigo contained in this prospectus (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this prospectus (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts concerning Galloway and Indigo not contained in this prospectus, the omission of which would make any statement in this prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of close of the Rights Issue); and (iii) immediately after completion of the Rights Issue (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date) is set out as follows:

(i) as at the Latest Practicable Date

<i>Authorised capital:</i>		<i>US\$</i>
14,300,000,000	Shares	143,000,000
<u>55,000,000</u>	Unclassified shares	<u>550,000</u>
<u>14,355,000,000</u>		<u>143,550,000</u>
<i>Issued and fully paid or credited as fully paid:</i>		<i>US\$</i>
<u>2,400,347,881</u>	Shares	<u>24,003,478.81</u>

- (ii) immediately after completion of the Rights Issue (assuming there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of close of the Rights Issue):

<i>Authorised capital:</i>		<i>US\$</i>
14,300,000,000	Shares	143,000,000
<u>55,000,000</u>	Unclassified shares	<u>550,000</u>
<u>14,355,000,000</u>		<u>143,550,000</u>

<i>Issued and fully paid or credited as fully paid:</i>		<i>US\$</i>
2,400,347,881	Shares as at the Latest Practicable Date	24,003,478.81
<u>2,400,347,881</u>	Number of Rights Shares to be issued	<u>24,003,478.81</u>
<u>4,800,695,762</u>	Shares upon completion of the Rights Issue	<u>48,006,957.62</u>

- (iii) immediately after completion of the Rights Issue (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Share Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date):

<i>Authorised capital:</i>		<i>US\$</i>
14,300,000,000	Shares	143,000,000
<u>55,000,000</u>	Unclassified shares	<u>550,000</u>
<u>14,355,000,000</u>		<u>143,550,000</u>

<i>Issued and fully paid or credited as fully paid:</i>		<i>US\$</i>
2,400,347,881	Shares as at the Latest Practicable Date	24,003,478.81
68,381,000	Shares to be allotted and issued upon the full exercise of all Share Options (except for Mr Mellon)	683,810.00
<u>2,468,728,881</u>	Number of Rights Shares to be issued	<u>24,687,288.81</u>
<u>4,937,457,762</u>	Shares upon completion of the Rights Issue	<u>49,374,577.62</u>

All of the Rights Shares to be issued will rank pari passu in all respects with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

As at the Latest Practicable Date, the Company had an outstanding aggregate of 70,218,000 Share Options granted to the grantees which comprised: (i) 6,000,000 Share Options with exercisable period up to 30 April 2023 at the exercise price of HK\$0.149 per Share; (ii) 43,718,000 Share Options with exercisable period up to 13 October 2030 at the exercise price of HK\$0.149 per Share; (iii) 18,000,000 Share Options with exercisable period up to 16 December 2030 at the exercise price of HK\$0.183 per Share; and (iv) 2,500,000 Share Options with exercisable period up to 6 June 2031 at the exercise price of HK\$0.185 per Share. Save as disclosed above, as at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Shares and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

The Company issued and allotted 926,666 new Shares on 14 July 2022 under general mandate pursuant to the relevant consulting agreements as disclosed in the Company's announcements dated 14 July 2021 and 26 July 2021. Save as disclosed above, the Company had not issued any Shares since 31 December 2021, being the date on which the latest audited financial statements of the Group were made up and up to the Latest Practicable Date. The Company will apply to the Stock Exchange for the listing of and permission to deal in the Rights Shares. The Company's shares are listed on the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. Save as disclosed above, no part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

There is no arrangement under which future dividends are/will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(i) Director's and chief executive's interests in the Company or its associated corporations

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

Long positions in the Shares and underlying Shares of the Company

a. Shares

Name of Director	Capacity	Number of Shares held ^(note 1)	Approximate percentage of the Company's issued share capital ^(note 2)
James Mellon ^(note 3)	Beneficial owner	807,612,142	18.04%
	Interests held by controlled corporations	1,775,459,562	39.66%
Jamie Alexander Gibson	Beneficial owner	89,396,748	3.72%
Julie Oates ^(note 4)	Interests held jointly with another person	1,000,000	0.04%
Stawell Mark Searle ^(note 5)	Beneficial owner	471,228	0.02%
	Family interest	628,304	0.03%
	Beneficiary of a trust	2,070,760	0.09%
Jayne Allison Sutcliffe	Beneficial owner	1,716,046	0.07%

Notes:

- Directors' personal interests in Shares as stated above are long position interests. There are no short position interests held by any Director.
- These numbers do not include the number of Shares to be issued upon exercise of Share Options held by the Directors as disclosed below. As at the Latest Practicable Date, the total number of issued Shares was 2,400,347,881 Shares.
- An aggregate of 1,775,459,562 Shares are held by Indigo and Galloway which are beneficially wholly-owned by Mr Mellon, each holding 51,583,810 Shares and 1,723,875,752 Shares respectively. These numbers took into account: (i) the aggregate number of Rights Shares to be subscribed by Mr Mellon (together with the subscription by Indigo and Galloway to be procured by Mr Mellon) under the Irrevocable Undertakings; and (ii) the number of all Underwritten Rights Shares under the Underwriting Agreement to be taken up by Galloway as the Underwriter, assuming that there is no acceptance of the Rights Shares by the Qualifying Shareholders and no Rights Shares are placed. The approximate percentage shown here reflects the approximate percentage held by Mr Mellon, Galloway and Indigo, further illustrations are set out on pages 34 and 35 of this prospectus.
- The 1,000,000 Shares are held by Julie Oates for the beneficial interests jointly with her spouse, Alan Clucas Oates.
- The 2,070,760 Shares are held to the order of a pension fund, of which Stawell Mark Searle is the sole beneficiary and the 628,304 Shares are held by his spouse, Juliet Mary Druce Searle.

b. Share Options

Name of Director	Date of grant	Exercise price per share (HK\$)	Number of Options				Outstanding as at the Latest Practicable Date
			Outstanding as at 1 January 2022	Granted during the period	Exercised during the period	Lapsed/Cancelled during the period	
James Mellon	14.10.2020	0.149	1,837,000	-	-	-	1,837,000
Jamie Alexander Gibson	14.10.2020	0.149	18,370,000	-	-	-	18,370,000
Julie Oates	14.10.2020	0.149	1,837,000	-	-	-	1,837,000
Stawell Mark Searle	14.10.2020	0.149	1,837,000	-	-	-	1,837,000
Jayne Allison Sutcliffe	14.10.2020	0.149	1,837,000	-	-	-	1,837,000

Notes:

- Details of the Share Options Scheme of the Company are set out in the Company's annual report for the year ended 31 December 2021 and the interim report for the six months ended 30 June 2022.
- Subsequent to the six months ended 30 June 2022 and up to and including the Latest Practicable Date: (i) there was no change in Directors interest in respect of the above Share Options; and (ii) the number of total outstanding Share Options was 70,218,000.
- As at the Latest Practicable Date, the total number of issued Shares was 2,400,347,881 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; or (iv) which were to be disclosed under the Takeovers Code.

(ii) Substantial shareholder's and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, no other person other than Mr Mellon and Galloway, whose interests are set out in the section "Director's and chief executive's interests in the Company or its associated corporations" of this prospectus, had any interests or short positions in the Shares or the underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Stock Exchange and the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors or a proposed Director is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the date of the Announcement; or (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) was not determinable by the employer within one year without payment of compensation (other than statutory compensation), except that: (i) Mr Mellon had entered into an advisory agreement with the Company dated 16 April 2012 regarding his appointment as an adviser of the Company. The fixed remuneration under the advisory agreement was US\$157,500 (or approximately HK\$1.24 million) per annum, but it has been reduced by 30% to US\$110,250 (or approximately HK\$0.87 million) per annum since 1 April 2020. The advisory agreement may be terminated by either party giving one year's written notice; and (ii) Jamie Alexander Gibson had entered into a service agreement with the Company dated 4 May 2012 regarding his appointment as Chief Executive Officer of the Company. The fixed remuneration under the service agreement was US\$1.50 million (or approximately HK\$17.66 million) per annum, and it has been reduced by 40% to US\$0.90 million (or approximately HK\$7.07 million) per annum since 1 April 2022. The service agreement may be terminated by either party giving one year's written notice.

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2021 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTEREST IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, save for the Set Off, the Underwriting Agreement and the Irrevocable Undertakings, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

7. DIRECTORS' INTEREST IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or their respective close associates (within the meaning of the Listing Rules) had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group, save that the following companies may pursue investment opportunities that may compete against the Company:

(1) **Compedica Holdings Limited ("Compedica")**

Compedica is a private single product medical device company based near Oxford, in the United Kingdom, focusing on the treatment of diabetic foot ulcers, which are a comorbidity of diabetic mellitus.

As at the Latest Practicable Date, (i) Mr Mellon and through his associate hold approximately 47.6% of the total issued share capital of Compedica; (ii) as a non-executive director and chairman of Compedica, Jamie Alexander Gibson holds approximately 8.2% of the total issued share capital of Compedica; and (iii) the Company does not hold any interests in the total issued share capital of Compedica.

(2) Juvenescence Limited (“Juvenescence”)

Juvenescence is a private and multinational healthcare science company based in the Isle of Man that focuses in human ageing and longevity, aiming to build a platform and pipeline of affordable quality products targeting ageing, age-related issues and cell regeneration.

As at the Latest Practicable Date, (i) as a director and chairman of the board of Juvenescence, Mr Mellon and through his associate hold approximately 18.60% of the total issued share capital of Juvenescence; and (ii) the Company does not hold any interests in the total issued share capital of Juvenescence.

(3) Portage Biotech Inc (“Portage Biotech”)

Portage Biotech (CSE: PBT.U and OTCBB: PTGEF) is dually listed on the Over-the-Counter Bulletin Board of NASDAQ of the United States and the Canadian Securities Exchange, focusing on discovering and developing innovative cell permeable peptide therapies and developing drug therapies.

As at the Latest Practicable Date, (i) as a non-executive director of Portage Biotech, Mr Mellon and through his associates hold approximately 17.89% of the total issued share capital of Portage Biotech; and (ii) the Company does not hold any interests in the total issued share capital of Portage Biotech.

Currently, the existing businesses of the above companies do not compete against the Company’s existing businesses.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

9. EXPERT AND CONSENT

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

Name	Qualification
BDO Limited	Certified Public Accountants

BDO Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its letter, report and/or references to its name in the form and context in which it appear.

As at the Latest Practicable Date, BDO Limited did not have any shareholding 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.

As at the Latest Practicable Date, BDO Limited did not have any direct or indirect interests in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date and are or may be material:

- (a) the Underwriting Agreement; and
- (b) the Placing Agreement.

11. EXPENSES

The expenses in connection with the Rights Issue, including placing commission, financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to amount approximately US\$0.8 million (or approximately HK\$6.28 million), which are payable by the Company.

12. CORPORATE INFORMATION

Registered office	PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Head office and principal place of business in Hong Kong	8th Floor, Henley Building 5 Queen's Road Central Hong Kong
Authorised representatives	Jamie Alexander Gibson Lui Mei Yan Winnie
Company secretary	Lui Mei Yan Winnie
Legal adviser to the Company	<i>As to Hong Kong laws:</i> Zhong Lun Law Firm LLP 4/F., Jardine House 1 Connaught Place Central Hong Kong <i>As to Cayman Islands laws:</i> Ogier 11/F, Central Tower 28 Queen's Road Central Hong Kong
Financial adviser	Grande Capital Limited Room 2701, 27/F, Tower 1, Admiralty Center 18 Harcourt Road Admiralty Hong Kong

Reporting accountant	BDO Limited 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Placing agent	Eddid Securities and Futures Limited 21/F, Citic Tower 1 Tim Mei Avenue Central Hong Kong
Underwriter	Galloway Limited Craigmuir Chambers PO Box 71 Road Town, Tortola, VG1110 British Virgin Islands
Principal share registrar	Maples Corporate Services Limited P.O. Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Hong Kong branch share registrar	Tricor Tengis Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal bankers	Citibank, N.A. 50/F., Champion Tower, 3 Garden Road Central, Hong Kong

13. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Directors

Executive Director

Jamie Alexander Gibson, Executive Director and Chief Executive Officer, aged 56, British, joined the Group in April 1996 and was appointed as an Executive Director and Chief Operating Officer of the Company in January 2002. In May 2002, he became Chief Executive Officer of the Company. Mr Gibson has spent most of his professional career with the Company specialising in corporate finance, direct equity investments and structuring emerging market investment products. Prior to joining the Company, he worked at Clifford Chance, Coopers & Lybrand and KPMG. Mr Gibson has a law degree from Edinburgh University. He is also a director of a number of subsidiaries of the Company, including: (i) Amerinvest Coal Industry Holding Company Limited, which in turn holds a 25% equity interest in West China Coking & Gas Company Limited; (ii) Plethora; and (iii) Deep Longevity, Mr Gibson is a non-executive director and chairman of Compedica, a private company of which he holds approximately 8.2% interest and Galloway is the major shareholder.

Non-Executive Directors

James Mellon, Non-Executive Director and Chairman of the Board, aged 65, British, was appointed as an Executive Director of the Company in July 1991, and was re-designated as a Non-Executive Director in May 2002, and is currently Non-Executive Chairman of the Board of Directors. He holds a Master's degree in Politics, Philosophy and Economics from Oxford University and, since graduating in 1978, his entire career has been spent in asset management. Mr Mellon worked for GT Management Plc from 1978 to 1984. In July 1984, he joined the Thornton Group where he was Managing Director of the Asian operation. From 1988 to 1990, he was an executive director of Tyndall Holdings Plc responsible for business expansion and corporate development. In 1990, Mr Mellon co-founded and became Chief Executive of the Company. In 1994, he became Chairman of the Company. Mr Mellon has over 20 years' investment experience in Asia. He specialises in the development and restructuring of international investment vehicles, and travels extensively across the region on company visits and fact-finding missions. He is also director of certain subsidiaries of the Company. Mr Mellon is also: (i) the non-executive director of Agronomics Limited (having stepped down as the chairman of its board on 31 May 2019 and remaining as a non-executive director), a non-executive director of Condor Gold plc and the executive chairman of the board of Manx Financial Group plc, all of which are listed on the London Stock Exchange AIM ("AIM"); (ii) a non-executive director of Bradda Head Holdings Limited (which was de-listed from AIM on 6 October 2017 and readmitted to trading as of 19 July 2021); and (iii) the non-executive chairman of the board of Speymill Deutsche Immobilien Company plc (which was de-listed from AIM on 31 May 2011). He was formerly: (i) the non-executive chairman of the board of FastForward Innovations Limited (an AIM-listed company); (ii) the non-executive chairman of the board of Rivington Street Holdings Limited (which was de-listed from ICAP Securities and Derivatives Exchange (ISDX) in the United Kingdom on 3 April 2014 and was dissolved on 20 October 2017); (iii) the non-executive chairman of the board of SalvaRx Group Plc (which was de-listed from AIM on 9 January 2020), which, following a group re-structuring in March 2017, disposed of all its investments and business interests to its subsidiary, namely SalvaRx Limited; (iv) the executive chairman of the board of Speymill plc (which was de-listed from AIM on 2 February 2015 and was dissolved on 20 October 2017); (v) a non-executive director of West African Minerals Corporation (then an AIM-listed company, and now listed on the London Stock Exchange Standard as Okyo Pharma Limited), resigned on 13 November 2017; and (vi) a non-executive director of Portage Biotech (which is dually listed on the Over-the-Counter Bulletin Board of NASDAQ of the United States and the Canadian Securities Exchange), resigned on 14 August 2020. Mr Mellon re-joined the board of Portage Biotech on 15 February 2022.

Jayne Allison Sutcliffe, Non-Executive Director, aged 59, British, was appointed as the Group Corporate Finance Director in August 1991 and was re-designated as a Non-Executive Director in June 2000. Mrs Sutcliffe has spent most of her professional career in the fund management industry specialising in sales and marketing initially at Thornton Management and then at Tyndall Holdings Plc. Mrs Sutcliffe co-founded the Group in 1990 where she established, and was responsible for, the Group's corporate finance activities. She has a Master's degree in Theology from Oxford University. Mrs Sutcliffe is a non-executive director and chairperson of WHEB Asset Management LLP, which is a boutique asset management company. She was formerly the Group Chief Executive of Charlemagne Capital Limited ("CCL", which was de-listed from AIM on 15 December 2016 upon completion of the 100% acquisition of CCL by Fiera Capital Corporation (which is listed on the Toronto Stock Exchange) by a scheme of arrangement on 14 December 2016).

Independent Non-Executive Directors

Charles David Andrew Comba, Independent Non-Executive Director, aged 79, Canadian, has been an Independent Non-Executive Director of the Company since October 2005. Until his retirement in May 2005, he held senior staff positions as Director Issues Management and more recently as Director of Regulatory Affairs with the Prospectors and Developers Association of Canada. Mr Comba obtained two geological degrees from Queen's University, Kingston, Ontario, Canada, an MSc (1975) and a Hon BSc (1972). He served on or led mineral exploration teams that have made eleven significant discoveries of base and precious metals, primarily for Falconbridge Group companies. Five discoveries were taken to production. Mr Comba was formerly a director of CR Capital Corp, a Canadian company listed on the NEX board of Toronto Venture Exchange.

Julie Oates, Independent Non- Executive Director, aged 60, British, has been an Independent Non-Executive Director of the Company since September 2004. She trained with PKF (Isle of Man) LLC and qualified in 1987 as a member of The Institute of Chartered Accountants in England and Wales. Mrs Oates later joined the international firm of Moore Stephens, and was appointed partner in the Isle of Man firm in 1997. In 2002, she joined a local trust company as Managing Director and in 2003 established her own accountancy practice. Mrs Oates has experience in both the general practice areas of accounting and business assurance as well as offshore corporate and trust administration. Mrs Oates acts as director for a number of regulated financial services companies.

Stawell Mark Searle, Independent Non-Executive Director, aged 79, British, has been an Independent Non-Executive Director of the Company since October 2001. He has over 30 years' experience in the investment management industry. Having trained with Jardine Matheson, the Far Eastern trading house in London, he was seconded to Samuel Montagu where he worked for two years in their Investment Department. Subsequently, Mr Searle joined Investment Intelligence Limited becoming Investment Director responsible for management of a stable of open ended funds. Between 1982 and 1987, he was Managing Director of Richards Longstaff Limited, a privately owned investment consultancy. In the following ten years, he was Investment Director of Gerrard Asset Management. Mr Searle has been a director of a number of closed-ended funds during his career.

Senior Management

David Samuel Church, Head of Mergers and Acquisitions and General Counsel, aged 48, Australian, joined the Group in 2008. Mr Church has more than 22 years' experience in mergers and acquisitions and corporate finance in Australia, the United Kingdom, Europe and Asia with expertise across multiple sectors. Mr Church has worked on domestic and international corporate transactions as well as major international equity offerings for corporates and investment banks. He has over 17 years' experience in Asia including transactions in Hong Kong, Korea, the PRC, Singapore, Indonesia, Malaysia and the Philippines. Mr Church has acted and advised on some of the most high profile mergers and acquisitions transactions in Europe and Asia. He is qualified and has practiced as a solicitor in Australia, with Clayton Utz, and in the United Kingdom and Hong Kong, with Linklaters.

Paul Eric Jones, Investment Director, aged 58, Canadian, has 30 years of experience in the energy industry and corporate finance. This has included various professional disciplines encompassing fund management, banking and business development. Before joining the Group in April 2011, Mr Jones was employed for six years with a Canadian private equity fund, where he was principally engaged in evaluating investment opportunities on behalf of the firm's investors and managing a portfolio of public and private securities. Prior thereto, Mr Jones was a Director in the energy lending group at the Canadian Imperial Bank of Commerce (CIBC) where he specialised in debt financing and providing advisory services to oil and gas producers. Previous to his banking career, Mr Jones was a financial analyst with TC Energy Corp. (a Canadian power generation and energy transmission company), where he was responsible for initiatives related to bond issuance, project finance, capital budgeting and investor relations. Mr Jones holds a Bachelor of Arts and a Master of Business Administration (Finance), both from the University of Calgary.

Professor Michael Grant Wyllie (alias: Mike Wyllie), Chief Scientific Officer, aged 71, British, has particular responsibility for the process of securing approvals of the product, regulatory compliance and assisting the Chief Executive Officer in the commercial development of Fortacin™ of Plethora. Prof Wyllie is a co-founder of Plethora. He has over 30 years of experience in senior management level positions within the pharmaceutical industry, with Wyeth and Pfizer. He has considerable hands-on experience in all aspects of the drug discovery and development process, and has been involved with new project inception, drug discovery and safety testing, early and late stage clinical development, regulatory filing, and the successful commercialisation of products, including Cardura® (doxazosin), Enablex® (darifenacin) and Viagra® (sildenafil). Prof Wyllie sits on the Clinical Trial Design and Future Therapies in BPH Committees of the World Health Organisation International Consultations on Urological Disease and the International Advisory Panel to The University of Strathclyde. He is an assistant editor of the British Journal of Urology in the Sexual Medicine Section. He has over 200 publications and is the named inventor of over 80 patents.

Wong Yui Fui, Frankie, Chief Financial Officer, aged 48, Chinese, joined the Group in July 2000 and was promoted as Chief Financial Officer in 2011. Mr Wong is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Fellow Member of The Association of Chartered Certified Accountants in the United Kingdom. He has the degree of Bachelor of Arts in Accountancy from the Hong Kong Polytechnic University. Prior joining the Company, he has gained extensive experience in auditing and accounting with Deloitte Touche Tohmatsu.

Lui Mei Yan Winnie, Company Secretary, aged 48, Chinese, joined the Group in May 2021. Ms Lui is a Chartered Secretary, a Chartered Governance Professional, and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She holds a Bachelor's degree in Business Administration and a Master's degree in Business Administration. Ms Lui has extensive experience in the company secretarial field and corporate governance practices with listed companies. She formerly acted as the company secretary of a number of listed companies on the Stock Exchange.

Business address of the Directors and senior management

The business address of the Directors and senior management is the same as the Company's principal place of business in Hong Kong at 8th Floor, Henley Building, 5 Queen's Road Central, Hong Kong.

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

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “9. Expert and Consent” in this appendix, has been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. BINDING EFFECT

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

16. MISCELLANEOUS

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits from Hong Kong or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) The English text of this prospectus shall prevail over Chinese text in case of any inconsistency.

17. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Company (www.endurancecp.com) and the Stock Exchange (www.hkexnews.hk) during the period of 14 days from the date of this prospectus:

- (a) the annual reports of the Company for each of the years ended 31 December 2019, 2020 and 2021 and the interim reports of the Company for each of the six months ended 30 June 2021 and 30 June 2022;
- (b) the written consent referred to in the paragraph headed “9. Expert and Consent” in this appendix;
- (c) the report from BDO Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (d) the material contracts as referred to in the paragraph headed “10. Material Contracts” in this appendix;
- (e) the service contracts as referred to in the paragraph headed “4. Directors’ Service Contracts” in this appendix;
- (f) the Circular; and
- (g) the Prospectus Documents.