

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Prospectus you should consult a person authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities or, if you are not resident in the United Kingdom, from another appropriately authorised independent financial adviser in your own jurisdiction.**

This Prospectus comprises a prospectus relating to RC365 Holding plc (the "**Company**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**") as competent authority under the UK version of Regulation (EU) 2017/1129, which is part of UK law by virtue of EUWA, in accordance with section 87A of FSMA, and prepared and made available to the public in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of FSMA (the "**Prospectus Regulation Rules**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK version of Regulation (EU) 2017/1129, which is part of UK law by virtue of EUWA, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. Applications will be made to the FCA for all of the ordinary shares in the Company (the "**Ordinary Shares**") to be admitted to the Official List of the FCA (the "**Official List**") by way of a Standard Listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time (the "**Listing Rules**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together "**Admission**"). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 23 March 2022.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 11 OF THIS DOCUMENT.

The Company and its Directors whose names appear on page 33 of this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and its Directors, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

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## **RC365 Holding plc**

(Incorporated in England and Wales with company number 13289422)

*Subscription for 32,534,591 new Ordinary Shares of £0.01 each at an Issue Price of £0.062 per new Ordinary Share, and Admission of 107,534,591 Ordinary Shares of £0.01 each to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities*

### **Enlarged Share Capital immediately following Admission at an Issue Price of £0.062 per new Ordinary Share**

<b>Number</b>	<b>Nominal Value</b>
107,534,591	£0.01 each

Chief Financial Capital Limited ("**CFC**") and VSA Capital Limited ("**VSA**") are each acting exclusively for the Company and for no-one else in connection with Admission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of CFC or VSA or for providing advice in relation to the contents of this Prospectus or any matter referred to in it. VSA is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange.

Neither CFC nor VSA is making any representation, express or implied, as to the contents of this Prospectus, for which the Company and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Prospectus is issued, no liability whatsoever is accepted by CFC or VSA for the accuracy of any information or opinions contained in this Prospectus or for any omission of information, for which the Company and the Directors are solely responsible. The information contained in this Prospectus has been prepared solely for the purpose of the Subscription and Admission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

The new Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank pari passu in all other respects with all other Ordinary Shares in issue on Admission.

This Prospectus does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or

invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed directly or indirectly, in or into the United States or to any national, resident or citizen of the United States, Australia, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in the United States. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold solely in offshore transactions within the meaning of and in accordance with Regulation S under the Securities Act.

The distribution of this Prospectus in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules and/or any provision of the QCA Corporate Governance Code which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

This Prospectus is dated 11 March 2022.

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## SUMMARY

### SECTION A - INTRODUCTION AND WARNINGS

<b>Issuer</b>	RC365 Holding plc, a public company incorporated and registered in England and Wales with company number 13289422 under the Companies Act 2006 (the " <b>Act</b> ") (the " <b>Company</b> "). The Company's registered office is Cannon Place, 78 Cannon Street, London, United Kingdom, EC4N 6AF.
<b>ISIN</b>	GB00BMG8BL95.
<b>LEI</b>	213800LQJTSFR2XY322.
<b>Identity and contact details for competent authority approving Prospectus</b>	<p>This Prospectus has been approved by the Financial Conduct Authority (the "<b>FCA</b>") as the competent authority for listing in the United Kingdom pursuant to Part VI of the Financial Services and Markets Act 2000, as amended ("<b>FSMA</b>").</p> <p>The FCA has its head office at 12 Endeavour Square, London E20 1JN. The FCA may be contacted by telephone on 0800 111 6768 (freephone) or 0300 500 8082 from the United Kingdom, or +44 207 066 1000 from abroad, or on its website <a href="http://www.fca.org.uk/contact">www.fca.org.uk/contact</a>.</p>
<b>Date of approval of Prospectus</b>	11 March 2022.

**THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS DOCUMENT. ANY DECISION TO INVEST IN THE NEW ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THIS DOCUMENT AS A WHOLE. THE INVESTOR COULD LOSE ALL OR PART OF THE INVESTED CAPITAL.**

Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

### SECTION B - KEY INFORMATION ON THE ISSUER

#### Who is the issuer of the securities?

##### The issuer

The issuer's legal name is 'RC365 Holding plc' ("**Company**").

The Company was incorporated in the United Kingdom as a private limited company called RC365 Holding Limited under the Act on 24 March 2021 with registered number 13289422. Its LEI is 213800LQJTSFR2XY322. Its business address is Cannon Place, 78 Cannon Street, London, United Kingdom, EC4N 6AF, and its telephone numbers are +44 20 8123 5806 and +852 2251 1621. On 22 September 2021 it re-registered as a public limited company and accordingly changed its name to RC365 Holding plc.

The Company is the holding company of Regal Crown Technology Limited, a fintech solutions service provider in China and Hong Kong which was incorporated in Hong Kong on 25 February 2013, with its registered office at Level 19, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, and registered under company number 1865866 ("**Regal Crown HK**").

##### Principal activities

The Company wholly owns Regal Crown HK and, together with Regal Crown HK, are referred to herein as the "**Group**". The Group is a fintech solutions service provider in China and Hong Kong, and is looking to expand its payment gateway services into Europe and the UK.

The major business segments that the Group is focussing on are as follows:

- *Payment gateway solutions (online and offline)*: The Group's payment gateway system, which has been certified in accordance with ISO/IEC 27001:2013 and ISO9001:2015, provides an efficient and secure payment gateway service aimed at facilitating the growing banking needs of the Asian community for cross border payment services.
- *IT support and security services*: The Group's experienced IT team (both in house and out-sourced), which has been certified in accordance with ISO/IEC 27001:2013, provides IT technical support services (on a 24/7 basis), cyber security consultation services and portal support services to its clients.

## Significant shareholders

Insofar as it is known to the Company, as at 10 March 2022, being the latest practicable date prior to the publication of this Prospectus, the persons identified below will, on Admission or immediately thereafter, each be directly or indirectly interested in 3 per cent. or more of the Company's issued share capital:

Shareholder	Interest as at the date of this Prospectus		Interest immediately following Admission	
	Number of Ordinary Shares	% of total issued share capital	Number of Ordinary Shares	% of total issued share capital
LYS Limited <sup>(1)</sup>	75,000,000	100%	75,000,000	69.74%
MacKay Preston Glen Kimpton	0	0%	4,839,057	4.50%
Tunkamack Limited	0	0%	4,839,057	4.50%
Central Worldwide (Hong Kong) Limited	0	0%	4,839,057	4.50%
S.E.M. Distribution Limited	0	0%	3,763,711	3.50%

(1) LYS Limited is a company incorporated in the BVI which is wholly owned directly by Mr. Chi Kit LAW. Mr. LAW is an Executive Director of the Company and Chief Executive Officer.

## Directors

As of the date of Prospectus, the Company's board of directors comprises the following:

Name	Function
Kwai Wah Sunny NG	<i>Non-Executive Director, Chairman, and member of the Remuneration Committee</i>
Robert Cairns	<i>Non-Executive Director and member of the Audit Committee</i>
Ajay Rajpal	<i>Non-Executive Director and member of the Audit Committee and the Remuneration Committee</i>
Chi Kit LAW	<i>Executive Director and Chief Executive Officer</i>
Hon Keung CHEUNG	<i>Executive Director and Chief Financial Officer</i>

## Statutory auditor

The auditor of the Company is Moore Kingston Smith LLP whose registered address is Devonshire House, 60 Goswell Road, London, EC1M 7AD. Moore Kingston Smith LLP was appointed auditor of the Company on 15 September 2021. Moore Kingston Smith LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

### What is the key financial information regarding the issuer?

The Company was incorporated on 24 March 2021. The Company did not trade between the date of incorporation and 31 July 2021.

Consolidated audited financial statements for Regal Crown HK prepared in accordance with HKFRS accounting policies covering the period from 1 April 2018 to 31 March 2021. This can be found at Part IV of this Prospectus.

Consolidated unaudited interim financial statements for the Group were prepared in accordance with HKFRS accounting policies for the 6 month period to 30 September 2021. This can be found at Part IV of this Prospectus

### The Company's audited Statement of Financial Position

	As of 31 July 2021
	£
<b>Current assets</b>	
Trade and other receivables	1
<b>Total assets</b>	1
<b>Equity</b>	
Called up share capital	1
<b>Total equity</b>	1

### Regal Crown HK – Consolidated Income Statement

Note the unaudited 30 September 2021 Consolidated Income Statement relates to the Group.

	Audited Year ended 31 March 2019 HKD	Audited Year ended 31 March 2020 HKD	Unaudited 6 months ended 30 September 2020 HKD	Audited Year ended 31 March 2021 HKD	Unaudited 6 months ended 30 September 2021 HKD
<b>Revenue</b>	<b>8,396,232</b>	<b>11,569,332</b>	<b>3,247,851</b>	<b>7,363,061</b>	<b>2,700,000</b>
Other income	146,534	105,065	298,535	376,080	11,207
Subcontracting fee paid	(360,431)	(2,030,062)	(201,000)	(896,000)	(300,000)
Staff costs	(5,970,487)	(5,861,103)	(1,561,611)	(3,315,962)	(1,123,537)
Depreciation	(874,267)	(888,316)	(446,087)	(868,738)	(390,900)
Loss on disposal of subsidiary	-	-	-	(39,060)	-
Other operating expenses	(1,095,016)	(1,854,280)	(386,508)	(1,112,250)	(382,112)
Finance charges on lease expenses	(15,390)	(21,669)	(11,800)	(23,306)	(13,946)
<b>Profit before income tax</b>	<b>227,175</b>	<b>1,018,967</b>	<b>939,381</b>	<b>1,483,825</b>	<b>500,712</b>
Income tax expense	-	-	-	-	-
<b>Net profit</b>	<b>227,175</b>	<b>1,018,967</b>	<b>939,381</b>	<b>1,483,825</b>	<b>500,712</b>

### **Regal Crown HK – Consolidated Statement of Financial Position**

*Note the unaudited 30 September 2021 Statement of Financial Position relates to the Group.*

	Audited 31 March 2019 HKD	Audited 31 March 2020 HKD	Audited 31 March 2021 HKD	Unaudited 30 September 2021 HKD
<b>Non-current assets</b>	<b>596,181</b>	<b>1,371,739</b>	<b>1,535,641</b>	<b>1,226,740</b>
<b>Current assets</b>				
Deposits and prepayments	88,361	217,843	74,290	74,291
Trade and other receivables	64,394	-	3,020,725	5,957,836
Amount due from a director	5,665	53,672	-	7,495
Amounts due from related companies	179,964	-	18,373	18,373
Cash and cash equivalents	2,752,878	8,313,615	4,305,203	11,385,029
	<b>3,091,262</b>	<b>8,585,130</b>	<b>7,418,591</b>	<b>17,443,025</b>
<b>Current liabilities</b>				
Contract liabilities	-	1,630,000	-	-
Trade and other payables	408,632	3,139,811	2,162,425	5,983,544
Amounts due to related companies	10,900,118	10,968,700	578,65	578,664
Amount due to a director	-	-	30,255	-
Bank loans	-	-	-	725,000
Lease liabilities	270,589	833,605	756,832	380,778
	<b>11,579,339</b>	<b>16,572,116</b>	<b>3,528,177</b>	<b>7,667,986</b>
<b>Net current liabilities</b>	<b>(8,488,077)</b>	<b>(7,986,986)</b>	<b>3,890,414</b>	<b>9,775,039</b>
<b>Non-current liabilities</b>				
Bank loans	-	-	-	5,075,000
Lease liabilities	-	282,527	515,159	515,159
<b>Net assets</b>	<b>(7,891,896)</b>	<b>(6,897,774)</b>	<b>4,910,896</b>	<b>5,411,620</b>
<b>Equity</b>				
Called up share capital	1	1	10,300,001	8,096,250
Retained earnings	(7,891,897)	(6,897,774)	(5,389,105)	(4,888,392)
Merger reserve	-	-	-	2,203,762
<b>Total equity</b>	<b>(7,891,896)</b>	<b>(6,897,774)</b>	<b>4,910,896</b>	<b>5,411,620</b>

## Regal Crown HK – Consolidated Statement of Cash Flows

	Audited Year ended 31 March 2019	Audited Year ended 31 March 2020	Unaudited 6 months ended 30 September 2020	Audited Year ended 31 March 2021	Unaudited 6 months ended 30 September 2021
	HKD	HKD	HKD	HKD	HKD
<b>Profit before income tax</b>	227,175	1,018,967	939,381	1,483,825	500,712
Adjustments for:					
Depreciation of property, plant and equipment	70,868	65,425	-	60,236	-
Depreciation of right-of-use assets	803,399	822,425	446,087	808,502	390,900
Gain on termination of lease agreement	-	-	-	(8,087)	-
Interest income	-	-	-	(41)	-
Loss on disposal of subsidiary	-	-	-	39,060	-
Finance charges on lease liabilities	15,390	21,669	11,800	23,306	11,252
<b>Operating cash flow before working capital changes</b>	<b>1,116,832</b>	<b>1,928,952</b>	<b>1,397,267</b>	<b>2,406,801</b>	<b>902,864</b>
Net working capital changes	1,162,705	4,296,091	(6,258,279)	(5,001,388)	470,214
<b>Net cash (used in)/generated from operating activities</b>	<b>2,279,537</b>	<b>6,225,043</b>	<b>(4,861,012)</b>	<b>(2,594,587)</b>	<b>1,373,079</b>
Purchase of property plant and equipment	(10,389)	-	-	(64,000)	(82,000)
Proceeds from sale of subsidiary, net of cash disposed of	-	-	-	(543,749)	-
Interest received	-	-	-	41	-
<b>Net cash used in investing activities</b>	<b>(10,389)</b>	<b>-</b>	<b>-</b>	<b>(607,708)</b>	<b>(82,000)</b>
Finance charges on lease liabilities	(15,390)	(21,669)	(11,800)	(23,306)	(11,252)
Advance to a director	(5,665)	(48,007)	-	130,291	-
Repayment to a shareholder	(10,320,791)	-	-	-	-
Repayment from related companies	10,612,770	248,546	-	(108,408)	-
Rental paid for lease liability	(800,610)	(818,331)	-	(804,694)	-
Proceed from the Bank Loan	-	-	-	-	5,800,000
<b>Net cash used in financing activities</b>	<b>(529,686)</b>	<b>(639,461)</b>	<b>(11,800)</b>	<b>(806,117)</b>	<b>5,788,748</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,739,462</b>	<b>5,585,582</b>	<b>(4,851,140)</b>	<b>(4,008,412)</b>	<b>7,079,827</b>
Effects of exchange rate changes	-	(24,845)	-	-	-
Cash and cash equivalents at beginning of year/period	1,013,416	2,752,878	8,313,615	8,313,615	4,305,203
<b>Cash and cash equivalents at end of year/period</b>	<b>2,752,878</b>	<b>8,313,615</b>	<b>3,462,475</b>	<b>4,305,203</b>	<b>11,385,030</b>

### Unaudited Pro Forma Financial Information

The unaudited pro forma financial information has been prepared on the basis of the notes set out below, in accordance with Annex 1, Section 18, Item 18.4.1 of Commission Delegated Regulation (EU) 2019/980 and in a manner consistent with the accounting policies adopted by the Group in its next financial statements, being those adopted in preparing the historical financial information of Regal Crown HK, to illustrate the effect on the Group of the Subscription as if this transaction took place on 30 September 2021.

	Unaudited Group at 30 September 2021	Subscription net of expenses	Pro-forma at 30 September 2021
	HKD	HKD	HKD
	Note 3	Note 2	
<b>Non-current assets</b>			
Property, plant and equipment	338,170	-	338,170
Right-of-use assets	888,571	-	888,571
	1,226,741	-	1,226,741
<b>Current assets</b>			
Deposit and prepayment	74,291		74,291
Trade and other receivables	5,957,836	(2,582,407)	3,375,429
Amount due to a director	7,495	-	7,495
Amount due from related companies	18,373	-	18,373
Cash and cash equivalents	11,385,029	16,746,442	28,131,471
	<b>17,443,025</b>	<b>14,164,035</b>	<b>31,607,060</b>
<b>Current liabilities</b>			
Trade and other payables	5,983,544	(4,531,149)	1,452,395
Amounts due to related companies	578,664	-	578,664
Bank loans	725,000	-	725,000
Lease liabilities	380,778	-	380,778
	<b>7,667,986</b>	<b>(4,531,149)</b>	<b>3,136,837</b>
<b>Net current assets / (liabilities)</b>	<b>9,775,039</b>	<b>18,695,184</b>	<b>28,470,223</b>
<b>Non-current liabilities</b>			
Bank loans	5,075,000	-	5,075,000
Lease liabilities	515,159	-	515,159
	<b>5,590,159</b>	-	<b>5,590,159</b>
<b>Net assets / (liabilities)</b>	<b>5,411,620</b>	<b>18,695,184</b>	<b>24,106,805</b>

Notes:

- (1) The Pro Forma Financial Information has been prepared in accordance with the Group's accounting policies to be adopted in its next financial statements, which are consistent with those accounting policies adopted in preparing the historical information of Regal Crown HK. The financial information for the Group has been extracted, without material adjustment, from the unaudited interim accounts to 30 September 2021 contained in Part IV of this Prospectus.
- (2) Pursuant to the Subscription, the Company will issue 32,534,591 Ordinary Shares of GBP£0.01 (or HK\$0.11) each at the Issue Price. Consequently, pro forma adjustments have been recorded to show the gross cash proceeds to the Company from the Subscription of £2,017,145 (HK\$22,188,591) net of the unpaid Admission expenses which are expected to amount to £82,818 (HK\$911,000), and net of amounts received in advance of the Subscription of £411,923 (HK\$4,531,149). £234,764 (HK\$2,582,407) of the prepaid admission expenses are included within trade and other receivables which will be reversed on Admission. An exchange rate of £1/HK\$11 has been used for this Pro Forma Financial Information.
- (3) All the transactions above are in relation to Admission and are one off in nature. No account has been taken of the financial performance of the Group since 30 September 2021 nor of any change in the financial position other than those noted above.

### **What are the key risks that are specific to the issuer?**

The Group is subject to numerous risks and uncertainties, including the following:

***If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability***

The Group faces competitive pressure from new or existing competitors which may, in particular, have more significant financial resources, consumer awareness and scale and may introduce new products and services.

***The Group's ability to remain competitive depends in part on its ability to offer competitive pricing***

Certain of the Group's competitors may have greater financial, technological and marketing resources than it does or, in the case of certain markets (in particular any potential new markets), greater local knowledge and presence, greater customer bases, volume, scale and market share.

***Negative publicity could impact negatively on the Group's business and reputation***

The diminution in the perceived quality associated with the Group's products or services as a result of reputational damage or otherwise could harm the Group's business, which can adversely affect its ability to attract and retain customers. The Group's reputation could be damaged by any number of issues, including operational or user experience failures, data breaches, or negative press or social media reports.

***Demand for the Group's products and services may be affected by global and regional changes, including economic, social and political changes***

The Group may be affected by a number of macroeconomic factors, events and conditions, including political and social conditions (such as any policy which might affect the ability of Regal Crown HK to do business with Chinese customers), payment habits and trends including the number of transactions involving the Hong Kong dollar, economic



growth rates, and government outlook, spending and regulation, such as protectionist policies and legislation.

***The Group may fail to successfully execute its strategy, including expanding its share of its existing markets, developing new capabilities and expanding into new geographies***

The Group's future growth and profitability depend upon the growth of the markets in which it currently operates, the future expansion of those markets, its ability to develop new products and services (such as CatchAR) that are commercially successful and its ability to increase its penetration and service offerings within these markets, as well as its ability to penetrate new markets, particularly in Europe.

***Dependence on key personnel***

The Group is managed by a number of key personnel, including the Key Executive Directors, some of whom have significant experience within the payments sector and who may be difficult to replace. The loss of the Key Executive Directors and/or key senior personnel could have a material adverse effect on the Group.

***After Admission, the Group's existing Shareholders will continue to be able to exercise significant influence over it, its management and its operations***

Although the Relationship Agreement seeks to ensure that the Group's independence will be maintained, nonetheless LYS Limited and Mr. Chi Kit LAW will be in a position to have significant influence over the Group's management, operations and business strategy. LYS Limited will also be able to cast sufficient votes at a general meeting of the Company to pass or defeat any resolution requiring a simple majority of those attending and voting in present or by proxy at the meeting.

## SECTION C - KEY INFORMATION ON THE SECURITIES

### What are the main features of the securities?

<b>Description</b>	The securities being admitted are equity securities, specifically Ordinary Shares of £0.01 nominal value each which will be registered with ISIN number GB00BMG8BL95.
<b>Currency</b>	The Ordinary Shares are denominated in British pound sterling.
<b>Number</b>	As at the date of this Prospectus, the Company has an issued share capital of £750,000 comprising 75,000,000 fully paid Ordinary Shares of nominal value £0.01 each. On Admission, the Company will have an issued share capital of £1,075,345.91 comprising 107,534,591 fully paid Ordinary Shares of nominal value £0.01 each.
<b>Rights</b>	At any general meeting every member who is present in person (or by proxy) shall on a show of hands have one vote and every member present in person (or by proxy) shall on a poll have one vote for each Ordinary Share of which he is the holder. The Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. If the Company is wound up, the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company.
<b>Seniority</b>	As the securities being admitted are equity securities, they would rank below the Company's then-existing debts.
<b>Transferability</b>	The Ordinary Shares are freely transferable and there are no restrictions on transfer, subject to certain jurisdictional restrictions.
<b>Dividend policy</b>	The Company's current intention is to retain any earnings for use in its business operations and accordingly does not anticipate declaring any dividends in the foreseeable future.

### Where will the securities be traded?

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trade on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence at 8.00 a.m. on 23 March 2022. Subject to the Act and the terms of the Articles, any Shareholder may transfer all or any of his certificated Ordinary Shares by an instrument of transfer in any usual form or in any other form which the Company's directors may approve.

### What are the key risks that are specific to the securities?

***The proposed Standard Listing of the Ordinary Shares will be contemporaneous with the dilution of existing investors by virtue of the issue of the Subscription Shares***

As Subscription Shares are being issued, conditional upon Admission, the interests of existing investors immediately before Admission will be diluted.

***A Standard Listing affords less regulatory protection than a Premium Listing***

A Standard Listing will afford investors a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules, which may have

an adverse effect on the valuation of the Ordinary Shares.

***There is no existing market for the Ordinary Shares and an active trading market for the Ordinary Shares may not develop or be sustained***

Prior to Admission, there has been no public trading market for the Ordinary Shares. Although the Company has applied to the FCA for admission to the Standard Listing segment of the Official List and has applied to the LSE for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Ordinary Shares will develop or, if developed, could be sustained.

***Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable.

**SECTION D - KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET**

**Under which conditions and timetable can I invest in this security?**

**General terms and conditions**

The Issue Price will be £0.062 per Ordinary Share. Completion of the Subscription is conditional on Admission, and irrevocable commitments, conditional upon Admission, have been received for an aggregate of £2,016,999. If Admission does not take place for any reason by 8.00 a.m. on 23 March 2022, monies will be returned to Subscribers without interest.

**Dilution**

The Subscription will result in the existing Ordinary Shares being diluted so as to constitute approximately 69.74 per cent. of the share capital of the Company immediately after Admission.

**Expenses**

The Company expects that its expenses in connection with Admission and the Subscription will be £800,000 (inclusive of broker commissions) including VAT. The Company intends to pay and/or recoup these expenses from the gross proceeds of the Subscription.

**Why is this Prospectus being produced?**

**Reasons and net proceeds**

This Prospectus has been produced in connection with the Subscription and the Company's application for Admission of the Ordinary Shares to a Standard Listing on the Official List. The Subscription is not underwritten.

After deducting commissions and other estimated expenses incurred in connection with the Subscription and Admission of approximately £800,000, the Company expects to receive net proceeds of approximately £1,216,999. The Company intends to use the net proceeds for the following:

		£m
Marketing Development Programme	25%	0.30
Establishing Development Centre	3%	0.04
Funding for future organic and non-organic growth	22%	0.27
Funding for potential licence application work	50%	0.61
Total	100%	1.22

**Conflicts of interest**

Mr. Chi Kit LAW, an Executive Director and Chief Executive Officer of the Company, directly and/or indirectly owns or controls a majority of the Enlarged Share Capital. In particular, Mr. LAW and his connected parties are expected to own or control 69.74 per cent. of the Enlarged Share Capital on Admission.

## RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Company, its proposed sector of activity and the Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in Ordinary Shares and should be used as guidance only. The risks referred to below are those risks that the Company and the Directors consider to be the material known risks relating to the Company. The risks presented at the front of each section are the risks that the Company and the Directors consider to be the more material, however the order that the risks are presented is not necessarily an indication of the risks actually materialising. There may also be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may, individually or cumulatively, adversely affect the Company's business, financial condition, results of operations or prospects.

Prospective investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Prospectus were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, prospective investors could lose all or part of their investment.

Investing in and holding the Ordinary Shares involves financial risk. Accordingly, prospective investors in the Ordinary Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the risks associated with an investment in the Ordinary Shares, the Group's business and the industries in which the Group participates. Further, the following risks should be considered together with all other information contained in this Prospectus. The most material risks are set out first taking into account the negative impact on the Group and the probability of occurrence.

### **Risks related to the Group's business and industry**

***If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability***

The Group faces competitive pressure from new or existing competitors such as Wellan, Kpay, CJ Infinity HK and Yedpay which may, in particular, have more significant financial resources, consumer awareness and scale and may introduce new products and services. If these companies gain a greater share of the market or if the Group is unable to successfully react to changes in the industry spurred by the entry of these new market participants, it could have a material adverse effect on its business, financial condition and results of operations.

In addition, the payment gateway and IT support services markets in which the Group operates is characterised by rapid technological change, new product and service introductions. In order to remain competitive in this rapidly evolving market, the Group may need to initiate a number of projects to develop new and innovative services, such as CatchAR, or integrate additional services into its existing services. These projects carry the risks associated with any development effort, including cost overruns, delays in delivery, performance problems and lack of market acceptance of new or innovated services. Any delay in the delivery of new services or the failure to differentiate the Group's services or to accurately predict and address market demand could render its services less desirable to its clients, or possibly even obsolete. The Group may also face difficulties in maintaining these services at the required level on an ongoing basis. Further, as the market evolves, it may develop too rapidly or not rapidly enough for the Group to recover the costs it has incurred in developing new products and services.

There may be other companies who create better products and services for customers in the future. If other companies create better products or services than the Group, people and businesses may stop using the Group's products and services, which would have a negative impact on volumes and growth, and in turn

revenue and profitability.

***The Group's ability to remain competitive depends in part on its ability to offer competitive pricing***

Certain of the Group's competitors may have greater financial, technological and marketing resources than it does or, in the case of certain markets (in particular any potential new markets), greater local knowledge and presence. Some of the companies which compete with the Group may have other advantages, including greater customer bases, volume, scale and market share. They may also invest more in research and development as well as in the promotion and sale of their products and services, and offer lower prices, including by cross-subsidising across their product offerings.

Accordingly, these competitors may be able to offer more attractive pricing to the Group's current and prospective clients or other services that it does not provide. Competition could result in a loss of existing clients, and greater difficulty attracting new clients, particularly because of potential disadvantages associated with switching providers, such as transition costs, business disruption and loss of accustomed functionality. Furthermore, if competition causes the Group to reduce the fees it charges in order to attract or retain clients, there is no assurance it can successfully control its costs in order to maintain its profit margins. One or more of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

***Negative publicity could impact negatively on the Group's business and reputation***

The diminution in the perceived quality associated with the Group's products or services as a result of reputational damage or otherwise could harm the Group's business, which can adversely affect its ability to attract and retain customers. The Group's reputation could be damaged by any number of issues, including operational or user experience failures, data breaches, or negative press or social media reports. In addition, the proliferation of online information, social media, consumer protection groups and public reviews about consumer experiences may exacerbate the potential impact of any negative publicity generated. Customer complaints or negative publicity about its services could diminish confidence in, and the use of, the Group's products and services. Breaches of privacy and security measures could have the same effect.

Factors affecting reputation may also be outside of the Group's control, and its efforts to maintain or enhance its favourable reputation may not have their desired effects. To the extent that it is a party to any direct and indirect contractual and non-contractual relationships, agreements and/or associations, the Group's reputation is vulnerable to the actions of these third parties.

The Group is also vulnerable to reputational concerns that affect the fintech services market as a whole. Increased scrutiny by regulators or consumer protection groups as a result of anti-money laundering ("AML") practices, a data breach or a similar incident at a significant competitor or any other reason, could also erode the public trust in the industry. Damage to, or a negative perception of, any of the companies the Group is associated with or the fintech services industry could also have a material adverse effect on the Group's products and services.

***Demand for the Group's products and services may be affected by global and regional changes, including economic, social and political changes***

The Group may be affected by a number of macroeconomic factors, events and conditions, including political and social conditions (such as any policy which might affect the ability of Regal Crown HK to do business with Chinese customers), payment habits and trends including the number of transactions involving the Hong Kong dollar, economic growth rates, and government outlook, spending and regulation, such as protectionist policies and legislation. Geopolitical events such as natural disasters, acts of war, terrorism, public health issues and import or export regulations may materially and adversely affect the demand for its products and services. The movement of money between financial institutions in the key markets in which the Group operates could also be adversely affected by political and social instability.

Changes in global and local macroeconomic events and conditions may have an impact on demand for the Group's products and services and the products and services of its business customers and partners, and impact its ability to conduct business, which could materially and adversely affect the Group's business, results of operation and financial condition.

The Group's ability to fund its businesses could be impaired if national or international funds transfer mechanisms are damaged, and the Group's ability to access its deposits in banks could be restricted.

The Group has also been affected by the COVID-19 pandemic, which continues to have a significant

impact on the global economy and markets in which it operates. Any restrictive measures relating to the COVID-19 pandemic which remain or are put in place for a significant period of time, could create continued volatility in the volume of global money movement and currency exchange rates. The full extent to which the COVID-19 pandemic will continue to impact the Group is uncertain and difficult to predict. This includes the duration of the pandemic, its severity, the actions implemented to contain the virus or address its impact, its effects on customer behaviour and demand, its effects on migrants and immigration patterns and regulations, the availability, uptake and effectiveness of vaccinations and how quickly and to what extent normal economic and operating conditions can resume.

***The Group may fail to successfully execute its strategy, including expanding its share of its existing markets, developing new capabilities and expanding into new geographies***

The Group's future growth and profitability depend upon the growth of the markets in which it currently operates, the future expansion of those markets, its ability to develop new products and services (such as CatchAR) that are commercially successful and its ability to increase its penetration and service offerings within these markets, as well as its ability to penetrate new markets, particularly in Europe. The Directors believe that the Group's current markets are relatively mature in respect of the provision of services such as those provided by the Group whereas the European markets are less developed and therefore offer considerably greater scope for growth. In the event that the Group failed to deliver on its strategy of expanding its services into new and less mature markets such as Europe, and was instead reliant on existing, mature markets, the Group's growth prospects and therefore financial position and results of operations would be adversely affected.

It may be difficult to attract new clients, particularly in new markets while the Group expands its services. The Group seeks to overcome these factors by making investments to enhance the functionality of its software and differentiate its services. However, there can be no assurance that its efforts will be successful, and this resistance may adversely affect its growth. The Group's expansion into new product markets is also dependent upon its ability to adapt its existing technology and offerings and to develop new or innovative applications to meet the particular service needs of each new market.

The Group's entry into new markets in the future could also result in its having to compete in ways it has not had to in the past. For example, the Group may enter new geographic markets that favour domestic service providers over international competition, such as the Group, by imposing market access barriers and preferential domestic regulations. To varying degrees, these policies and regulations could adversely affect the Group's ability to compete effectively in these markets, which could have a materially adverse effect on its business, results of operations and financial condition.

The Group's entry into new markets or provision of new products or services may require local approvals and/or licences or an agreement with a local financial institution to operate. The Group may be unable to obtain or maintain the necessary approvals and licences to operate in markets and/or expand its product and service offering, or the time required to obtain such approvals or licences may be greater than anticipated by the Group. In addition, where the Group does not seek necessary approvals or licences, the Group may be unable to find suitable local financial institutions so that it can operate in such markets. This could restrict the Group's ability to grow its business and/or have an adverse effect on the speed at which the Group is able to grow its business and have a negative impact on revenue and profitability in the future. For the avoidance of doubt, nothing in this paragraph is intended to qualify the working capital statement contained in paragraph 31 of Part VI of this document as the incurrence of any such costs as are referred to is discretionary on the part of the Directors.

***Inability to manage growth***

The Group intends to grow the business. The Group's future growth may place increasing and significant demands on its management, operational and financial systems, infrastructure and other resources and will therefore depend on its ability to expand and improve operational, financial and management information and control systems in line with its growth. Failure to do so could have an adverse effect on the Group's business and its operating results. Further, any acquisitions will carry an element of risk, including the difficulty of integrating the operations and personnel of the acquired business and the inability to obtain the anticipated return from such investment.

***Future acquisitions***

The Board believes that there may be ongoing opportunities in the future for the continued growth of the Group through participation in industry consolidation. However, there is no certainty that the Board will make successful acquisitions. In addition, there can be no assurance that the Group will be able to locate

targets that satisfy its acquisition criteria or that the Board will successfully conclude agreements with any of the target businesses which may be identified in the future.

### ***Commercial objectives and integration following acquisitions***

The success of any proposed acquisitions will depend in part on the ability of the Group and its management to integrate the operations, technologies and personnel of the targets into those of the Group's existing business. If the Group fails to successfully integrate businesses going forward, this could negatively impact on the results of operations of the Group. The integration of operations is complex and, accordingly, may result in unanticipated operational problems, expenses and other liabilities, and the diversion of management's attention.

The challenges involved in integration include the following:

- ensuring that management systems and administrative and financial controls are adequate for the effective management of the Group;
- resolving any outstanding or unforeseen legal, regulatory, contractual, employee or other issues arising from any proposed acquisitions; and
- assimilating the personnel and business cultures of both the Group's existing businesses and future acquisitions.

There can be no assurance that the Group will be successful in meeting all of these challenges.

### ***A decline in the use of credit and debit cards as a payments mechanism or adverse developments with respect to the digital payments industry in general could have a material adverse effect on the Group's business, financial condition and results of operations***

If customers do not continue to use credit or debit cards as a payments mechanism for their transactions or if there is a change in the mix of payments between cash, alternative currencies, credit and debit cards or new payments systems which is adverse to the Group, it could have a materially adverse effect on its business, financial condition and results of operations. A potential tightening of credit underwriting criteria by financial institutions may make it more difficult or expensive for customers to gain access to credit facilities such as credit cards. Moreover, if there is an adverse development in the digital payments industry in general, such as new legislation or regulation that makes it more difficult for the Group's clients to do business or which results in financial institutions seeking to charge their customers additional fees for card usage, cardholders may reduce their reliance on cards, which could have a material adverse effect on the Group's business, financial condition and results of operations.

### ***The Group is at risk of fraud***

Combating fraud is a challenge because transactions are conducted between parties who are not physically present, which in turn creates opportunities for misrepresentation and abuse. Online businesses are especially vulnerable because of the convenience, immediacy and anonymity of transferring funds from one account to another and subsequently withdrawing them.

Regal Crown HK's business does not currently involve the supply of any regulated services which would require a licence or authorisation (such as the processing of transactions) or the direct handling of client money and as such it would not normally expect to be primarily responsible should any fraudulent activity impact a particular transaction. However, it cannot however be excluded that the Group could be party in any litigation or investigation in the future in relation to fraudulent transactions, even where the Group is not directly involved. Examples of fraud could include organised criminal activity or when a person knowingly uses a stolen or counterfeit credit or debit card, card number, or other credentials to record a false sale or credit transaction, or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. Criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting credit and debit cards and fraud. There is also a risk the Group's employees could engage in or facilitate fraudulent activity on their own behalf or on behalf of others. Moreover, it is possible that incidents of fraud could increase in the future.

The Group nonetheless takes measures to detect and reduce the risk of fraud, by carrying out checks on the Dow Jones database before the transaction can proceed. Separate checks are also carried out by other parties involved in the value chain. These measures may however not be effective against new and continually evolving forms of fraud or in connection with new product offerings. If these measures do not succeed, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

***The Group's risk management policies and procedures may not be fully effective in mitigating its risk exposure against all types of risks***

The Group's risk management policies and procedures may not be fully effective to identify, monitor and manage its risks. Some of its risk evaluation methods depend upon information provided by others and public information regarding markets, clients or other matters that are otherwise inaccessible by it. In some cases, however, that information may not be accurate, complete or up to date. If the Group's policies and procedures are not fully effective or it is not always successful in capturing all risks to which it is or may be exposed, it may suffer harm to its reputation or be subject to litigation or regulatory actions that could have a material adverse effect on its business, financial condition and results of operations.

In addition, Regal Crown HK's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the HKFRS. Effective internal control over financial reporting is necessary for the Group to provide reliable reports and prevent fraud. The Group seeks to mitigate the risk of fraud through its management structure and regular financial review with an extensive use of business systems. Moreover, the Group's internal controls in certain jurisdictions, in which they expand operations may require more extensive updates than those in other jurisdictions. This structure or review may not identify fraud that may have a material adverse effect on the Group's reputation and results of operations. Internal control systems provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of such inherent limitations in control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Failure to maintain effective internal controls over financial reporting could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's growth depends in part on the success of its strategic relationships with third parties***

The Group anticipates that the growth of the business will continue to depend on third-party relationships. For example, at this point in time and in the PRC, the Group currently relies on its relationship with one subcontractor in particular. Identifying, negotiating and documenting relationships with third parties require significant time and resources. These third-party providers may choose to terminate their relationship with the Group or to make material changes to their businesses, products or services or charge more for their services. The Group's competitors may be effective in providing incentives to third parties to favour their products or services or to prevent or reduce volumes in the Group's platforms. In addition, these providers may not perform as expected under the Group's agreements or under their agreements with customers, and the Group or the customers may in the future have disagreements or disputes with such providers.

Disputes with such counterparties may result in them taking action that may be detrimental to the Group and they may be unable, or unwilling, to fulfil their obligations under the relevant agreements with the Group. This may limit its ability to offer its products and services in certain jurisdictions, and can lead to disputes, which could prove costly and time consuming to resolve.

If the Group loses access to products or services from a particular supplier, or experiences a significant disruption in the supply of products or services from a current supplier, it could have a limited short-term adverse effect on the Group's business and operating results as the Group sources alternative providers or arranges for its own staff to provide these services and any disruption due to this transition.

***Foreign exchange risks***

The Group may, in the future, be subject to foreign exchange risk which may arise as a result of the Group having operations located in various parts of the world and from the services fees paid by customers. Fluctuations in exchange rates between currencies in which the Group operates may cause fluctuations in the Group's financial results and cash flows which are not necessarily related to the Group's underlying operations.

***Future performance of the Group cannot be guaranteed***

There is no certainty and no representation or warranty is given by any person that the Group will be able to achieve any returns referred to in this Prospectus. The financial operations may be adversely affected by general economic conditions or by the particular financial condition of other parties doing business with the Group. In addition, Regal Crown HK is an early stage company, founded in 2013, looking to grow and diversify its customer base from its existing 16 customers during the last financial year, with whom Regal Crown HK enters into typically shorter term contracts of one to three years.

The Company cannot guarantee that it will always retain a quotation on the LSE. If the Company fails to

do so, certain investors may decide to sell their Ordinary Shares, which could have an adverse impact on the share price. Additionally, if in the future the Company decides to obtain a listing on another exchange, in addition to the LSE or as an alternative, this may affect the liquidity of the Ordinary Shares traded on the LSE.

### **Risks relating to technology**

***The Group's systems and its third-party providers' systems may fail due to a number of factors, including factors beyond its control, which could interrupt its service, cause it to lose business and increase its costs***

The Group's systems and those of its third-party service providers are subject to the risk of both limited and significant service interruptions. Although the Group has not experienced any outages that have had a material impact on its business to date, its systems and operations and those of its third-party providers could be exposed to damage or interruption from these and other factors including hardware and software defects or malfunctions, and other events such as human error, fire, natural disaster, power loss, telecommunications failure, terrorist acts, war, unauthorised entry, fraud or sabotage, security breach, computer viruses, other defects and development delays or interruptions to internet access. If third parties cease to provide the facilities, components or services the Group relies on, breach their agreements with the Group, or fail to meet the Group's requirements due to financial or legal or regulatory issues, labour issues, or other problems, the Group's operations could be disrupted or otherwise negatively affected.

A system outage or data loss could have a material adverse effect on the Group's business, financial condition and results of operations. The Group's customers may require it to maintain a certain level of service availability, and failure to maintain agreed levels of service availability could result in penalties and customers switching to a different provider. A security breach could also, among other things, deter customers from using the Group's products and services.

***The Group is exposed to risks relating to its ability to manage ongoing changes***

The Group's operations are dependent on its technology and expertise of its staff, which are subject to constant change and upgrades in line with technological developments and industry trends, including as a result of product and service innovation. A delay in the completion of these or similar projects in response to such changes, including an unsuccessful migration, could result in interruption of service, create reputational or relational risks for the Group with its clients and adversely affect the Group's ability to execute its strategy.

Furthermore, the Group has recently launched and is in the process of developing a number of new products, including the "soft launch" of Catch AR. If any unanticipated difficulties arise with the deployment of these products or if customers or consumers have difficulties or complaints in using them, it could adversely affect the Group's ability to implement its strategy.

There is a further risk that legal changes could require additional changes or modifications to be made to the Group's systems, which could increase the amount of work required and cause further delays. If the Group is unable to manage upgrades, developments or changes within its technology systems and networks, its business could be subject to operational disruption, reputational damage, regulatory and significant additional costs which could have a material adverse effect on the Group's business, financial condition and results of operations, which could impact its revenue or profitability and have a material adverse effect on the Group's business, financial condition and results of operations.

The Group must also ensure that its technology is compatible with new or emerging industry standards to be able to integrate and operate its mobile applications on smartphones or tablets or with third-party applications. If competitors are better able to exploit advances in technologies or offer superior functionality, the Group's products and services may become less relevant or attractive to consumers, which could have a material adverse effect on the Group's business, results of operations and financial condition.

If the Group's current technology becomes obsolete or it is unable to develop technologies internally, it may have to license or acquire technologies from third parties. Any failure to remain innovative or to introduce new or upgraded technologies that are responsive to changing customer preferences may have a material adverse effect on the Group's competitiveness and could cause it to lose market share.

These changes may be challenging to develop and implement, may require substantial investment, may result in loss of data and may cause consumers to experience delays or interruptions in service. Changes, delays or interruptions in service may also cause consumers to become dissatisfied with the Group's



products and services and to move to competitors. Furthermore, no assurance can be given that the Group will be able to continue to design, develop, implement or use, in a cost-effective manner, new technology services or products that provide the capabilities necessary for the Group to compete effectively. A failure to effectively manage any of the foregoing challenges could have a material adverse effect on the Group's business, results of operations and financial condition.

### **Specific additional risks relating to the Group and doing business in Hong Kong**

#### ***Dependence on key personnel***

The Group is managed by a number of key personnel, including the Key Executive Directors, some of whom have significant experience within the payments sector and who may be difficult to replace. The loss of the Key Executive Directors and/or key senior personnel could have a material adverse effect on the Group.

In addition, the future success of the Group will depend, among other things, on its continued ability to attract, motivate and retain highly skilled and qualified personnel. There can be no assurance that key personnel will continue to be employed by the Group or that the Group will be able to attract and retain suitably experienced personnel in the future or meet their remuneration requirements. Further, the cost base associated with the remuneration of key personnel may increase significantly. The failure to attract and retain key personnel, or the cost of doing so, could materially adversely affect the Group and its reputation, financial condition and/or operating results.

#### ***After Admission, the Group's existing Shareholders will continue to be able to exercise significant influence over it, its management and its operations***

As at the date of this Prospectus, the Group's existing Shareholders hold, directly and indirectly, 100 per cent. of its issued share capital. Upon Admission, LYS Limited (a BVI company wholly owned by Mr. Chi Kit LAW) will hold, and accordingly be able to vote in respect of, 75,000,000 Ordinary Shares, representing approximately 69.74 per cent. of the Enlarged Share Capital.

Although the Relationship Agreement seeks to ensure that the Group's independence will be maintained, nonetheless LYS Limited and Mr. LAW will be in a position to have significant influence over the Group's management, operations and business strategy. LYS Limited will also be able to cast sufficient votes at a general meeting of the Company to pass or defeat any resolution requiring a simple majority of those attending and voting in present or by proxy at the meeting. As such, LYS Limited and Mr. LAW will be in a position to exercise significant influence over the Company's shareholders' meetings, such as in relation to the payment of dividends, substantial mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of the majority of the directors to its Board and other matters.

Further, whilst LYS Limited owns fewer Ordinary Shares than necessarily carry sufficient votes to pass a resolution of the Company requiring a 75 per cent. majority in order to be passed, its holding of Ordinary Shares is such that, taking into account that for any vote to count at a general meeting of the Company it is necessary for a Shareholder to attend in person or by proxy and cast the votes attaching to its Ordinary Shares, should the total votes in fact cast at a general meeting of the Company be sufficiently less than the total number of votes that may be cast by all Shareholders, LYS Limited alone could have sufficient votes to pass a resolution requiring a majority of 75 per cent.

The Group cannot guarantee that the interests of its existing Shareholders will coincide with the interests of purchasers of the Ordinary Shares. The trading price of the Ordinary Shares could be materially adversely affected if potential new investors are disinclined to invest in the Group because they perceive disadvantages to a large shareholder in the Company. Furthermore, the Group's existing Shareholders' significant ownership may:

- delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company);
- deprive Shareholders of an opportunity to receive a premium for their Ordinary Shares as part of a sale of the Company; and
- affect the liquidity of the Ordinary Shares, each of which could have a material adverse effect on the market price of the Ordinary Shares.

The Company entered into the Relationship Agreement with Mr. LAW and LYS Limited on 11 March 2022. The Relationship Agreement has been entered into to ensure that the Company is capable at all times

of carrying on its business independently of its controlling shareholders (as defined in the Listing Rules) and their associates. In particular, the Relationship Agreement contains undertakings from Mr. LAW and LYS Limited to, among other things: (i) conduct all transactions and arrangements with any member of the Group at arm's length and on normal commercial terms; (ii) not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and (iii) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Relationship Agreement is not subject to any additional penalty or indemnity clauses. See paragraph 22 of Part VI of this Prospectus for a more detailed description of the Relationship Agreement.

***The Company is a holding company with no business operations of its own and depends on its subsidiaries for cash, including in order to pay dividends***

The Company is a newly incorporated group holding company with no independent operations and is dependent on earnings and distributions of funds from its operating subsidiaries for cash, including in order to pay dividends to Shareholders. As a matter of English law, the Company can pay dividends only to the extent that it has sufficient distributable reserves available, which depends upon the Company receiving cash from its operating subsidiaries in a manner which creates distributable reserves. The Company's ability to pay dividends to Shareholders therefore depends on its future Group profitability, the ability to distribute or dividend profits from its operating subsidiaries up the Group structure to the Company, general economic conditions and other factors the Directors deem significant. The Group's distributable reserves can be affected by reductions in profitability as well as by impairment of assets.

Similar restrictions on payment of dividends apply to Regal Crown HK in Hong Kong. According to the Hong Kong Companies Ordinance (Cap 622 of the Laws of Hong Kong), a Hong Kong incorporated private company may only make a distribution to its shareholders out of profits available for distribution, i.e. accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital.

***The Group may require additional financing in the future, which may not be available to it on commercially reasonable terms, or at all***

Although this does not qualify the working capital statement, in the medium to longer term the Group may seek to raise additional financing in the future through public or private debt or equity financing as part of its growth strategy or as a result of changes to its legal or competitive environment. In particular, the Group may seek to raise additional financing to:

- take advantage of expansion or growth opportunities;
- acquire, form joint ventures with or make investments in complementary businesses or technologies;
- develop new products or services; or
- respond to competitive pressures.

Any future equity financing could lead to dilution for existing Shareholders. Any additional financing may not be available on favourable terms or at all or may be subject to covenants or other restrictions, which could adversely affect the Group's ability to execute its strategy and pay dividends to its Shareholders, as well as have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

#### **Legal and regulatory risks**

***The Group is influenced by regulation, and any new laws and regulations or industry standards, or revisions made to existing laws, regulations or industry standards, affecting the industries in which it operates currently or may operate in the future, may have an unfavourable impact on its business, financial condition and results of operations***

The Group's business is impacted by laws, regulations and standards that affect it and its industry in the countries in which it operates, in Hong Kong and China, and in which it intends to operate, particularly in European countries.

While the Group has taken steps to ensure compliance with current legislation, these frameworks or others could prevent the Group from pursuing certain opportunities. Failure to comply with regulations or guidelines may result in the suspension or revocation of any applicable registration, the limitation, suspension or termination of service, and the imposition of civil and criminal penalties, including substantial

fines, or may cause customers or potential customers to be reluctant to do business with the Group, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

In particular, Regal Crown HK's business does not currently involve the supply of any regulated services which would require a licence or authorisation (such as the processing of transactions), including under the Payment Services Regulations 2017, or the direct handling of client money. However, changes to applicable rules and regulations, or interpretation or enforcement thereof, even if not directed at the Group, may require significant efforts to change its systems and products and may require changes to how it prices its services to customers, adversely affecting its business. Even an inadvertent failure to comply with laws and regulations could damage the Group's business or its reputation.

***Because the Group has historically operated as a group of private companies, it has limited experience complying with public company obligations and fulfilling these obligations will be expensive and time consuming and may divert its management's attention from the day-to-day operation of its business***

Historically, the Group has operated as a group of privately-owned companies and, accordingly, has limited experience complying with the increasingly complex laws and regulations pertaining to public companies in the United Kingdom. In particular, the significant regulatory oversight and reporting obligations imposed on public companies will require substantial attention from the Group's senior management and may divert their attention away from the day-to-day of its businesses, which could have a material adverse effect on its business, financial condition and results of operations. Similarly, corporate governance obligations, including with respect to the development and implementation of appropriate corporate governance policies, and concurrent service on the Board and possibly multiple Board committees, will impose additional burdens on its management.

In preparation for the Admission, the Group has implemented a number of corporate governance and other policies, processes, systems and controls to comply with the requirements for a publicly listed company on the LSE. The Board expects that a small number of additional procedures will be introduced after Admission in order to further enhance controls in certain areas. The Group has also engaged non-executive directors with experience as board members of listed companies. While the Board believes it will be in full compliance with these requirements from Admission, it does not have a track record on which it can assess the performance of these policies, processes, systems and controls or an analysis of their outputs. Any material inadequacies, weaknesses or failures in the Group's policies, processes, systems and controls could have a material adverse effect on its future business operations and prospects. In addition, in the event of non-compliance with corporate governance and other requirements there may be further consequences affecting the Group's licences or other regulatory matters and such non-compliance could lead to penalties or suspension of its listing.

In addition, as a public company the Company will incur significant legal, accounting and other expenses that it did not incur as a group of private companies. The Company may also incur costs associated with its public company reporting requirements and expects that being a public company will make it more expensive for it to hire directors. Further, it cannot be excluded that the Group may need to hire additional accounting, financial and compliance staff. The Group cannot predict or estimate the amount of additional costs that it may incur or the timing of such costs. Any of these expenses could have an adverse effect on the Group's business, financial condition and results of operations.

Further, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as regulatory and governing bodies provide new guidance. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

The Group intends to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of its management's time and attention from revenue-generating activities to compliance activities. If the Group's efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Group and its business, financial condition, results of operations and cash flow could be materially and adversely affected.

***The Group may be unable to adequately protect or enforce its intellectual property rights, or third parties may allege that the Group is infringing their intellectual property rights***

The protection of the Group's intellectual property, including the Group's products, trademarks, copyrights, domain names, trade dress, and trade secrets, is important to the success of its business. The Group seeks to protect its intellectual property rights by relying on applicable laws and regulations in the relevant markets, as well as a variety of administrative procedures. The Group may not be able to protect its proprietary technology, which could allow competitors to develop competing services. Even if protected, third parties may attempt to reverse engineer or otherwise obtain, use and/or duplicate the Group's intellectual property, without its permission or knowledge. In addition, third parties may independently design and exploit software similar to the software developed by the Group without infringing the Group's intellectual property rights, but in a way that diminishes the Group's competitive advantage.

In addition, the Group has not registered any of its intellectual property as trademarks, patents or registered designs in Hong Kong and, with respect to copyright and other non-registrable intellectual property rights, Regal Crown HK's agreements with its employees and third party contractors may not adequately specify that such works carried out for the company belong exclusively to Regal Crown HK and not to the employee or contractor. Any failure to adequately protect or enforce the Group's intellectual property rights, or significant costs incurred in doing so, could diminish the value of its intangible assets and materially and adversely affect its business, financial condition and results of operations.

As the number of products in the technology and payments industries increases and the functionality of these products further overlaps, the Group may become increasingly subject to the risk of intellectual property infringement and other claims. Litigation may be necessary to determine the validity and scope of the patent and other intellectual property rights of others. The ultimate outcome of any allegation is often uncertain and, regardless of the outcome, any such claim, with or without merit, may be time-consuming, result in costly litigation, divert management's time and attention from the Group's business, and require the Group to, among other things, redesign, stop selling its products or services, pay substantial amounts to satisfy judgments or settle claims or lawsuits, pay substantial royalty or licensing fees, or satisfy indemnification obligations that the Group has with certain parties with whom the Group has commercial relationships. The Group's failure to obtain necessary license or other rights, or litigation or claims arising out of intellectual property matters, may materially and adversely affect its business, financial condition and results of operations.

***Anti-money laundering and counter terrorism regulation***

Although the Group does not process payments, operate any retail payment systems or carry out any other directly regulated activities, it is subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. These regulations are constantly changing and monitoring compliance with AML, ABC, CTF and sanctions rules can impose a significant financial burden, and require significant technical ability. In recent years, enforcement of these laws and regulations has become more stringent, resulting in several landmark fines and reputational damage.

Although the Group has policies and procedures that it believes are sufficient to comply with currently applicable anti-money laundering, anti-corruption and sanctions rules and regulations, and best practices, as well as its current business model, in particular through the Dow Jones database checks which it conducts, it cannot guarantee that such policies and procedures completely prevent, especially as its business expands, situations of money laundering or corruption, including actions by the Group's employees, agents, merchants, third-party suppliers or other related persons for which the Group might be held responsible. Such events may have severe consequences, including litigation, sanctions, administrative measures, fines, criminal penalties and reputational consequences, which could have a material adverse effect on the Group's business, financial condition and results of operations. A failure to adopt effective measures against fraud, money laundering, corruption and terrorism financing may lead to regulatory proceedings and penalties by supervisory authorities

***The Group's products and services may be used for illegal or improper purposes, and the Group may be subject to penalties or legal or regulatory actions and reputational damage***

The Group's payments solutions services, as well as any other of its services or products, may be subject to potentially illegal or improper uses, including money laundering, terrorist financing, circumvention of sanctions, fraudulent sales of goods or services, piracy of software, movies, music, and other copyrighted or trademarked goods (in particular, digital goods), online securities fraud, or to facilitate other illegal activity. Certain activities that may be legal in one country may be illegal in another country.

Regal Crown HK's business does not currently involve the supply of any regulated services which would require a licence or authorisation (such as the processing of transactions), including under the Payment Services Regulations 2017, or the direct handling of client money and as such it would not normally expect to be primarily responsible should any illegal or fraudulent activity impact a particular transaction. However, it cannot however be excluded that the Group could be party in any litigation or investigation in the future in relation to illegal or fraudulent transactions, even where the Group is not directly involved.

The Group takes measures to detect and reduce the risk of fraud, by carrying out checks on the Dow Jones database before the transaction can proceed. Separate checks are also carried out by other parties involved in the value chain. These measures may however not be effective against new and continually evolving forms of fraud or in connection with new product offerings. If these measures do not succeed, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, the Group may be held liable by customers or other third parties arguing that any failure to prevent the use of the Group's services or products for illegal purposes constitutes a breach of the Group's duty of care vis-à-vis such customers or third parties. Intellectual property rights owners or government authorities may seek to bring legal or regulatory action, including against the Group, that are peripherally involved in the sale of infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of business or increased costs may materially and adversely affect the Group's business, financial condition and results of operations.

***The costs and effects of future litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect the Group's business, financial position and results of operations***

The Group may in the future be involved in governmental or regulatory investigations or similar matters arising out of its current or future business. The Group's insurance or indemnities may not cover all claims that may be asserted against it, and any claims asserted against it, regardless of merit or eventual outcome, may harm its reputation. Furthermore, there is no guarantee that the Group will be successful in defending itself in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any future litigation or investigation significantly exceed the Group's insurance coverage, they could have a material adverse effect on its business, financial condition and results of operations.

#### ***Confidentiality of customer information and data protection***

It is possible that the Group holds or may hold in the future (in particular in connection with new products such as CatchAR ) sensitive information relating to its customers or partners.

Consequently, the Group would be subject to complex and evolving laws, rules, regulations, orders and directives relating to the collection, use, retention, security, processing and transfer of personally identifiable information about customers, third parties and others and their transactions, including those requirements under the Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong), and potentially in multiple jurisdictions.

In addition, the Group is also subject to systems failure and software defects which could impact its ability to ensure the security or integrity of the information provided to it as well as the possibility of security breaches, which themselves may result in a violation of privacy laws. The techniques used by hackers and other cyber criminals to obtain unauthorised access, disable or degrade service or sabotage systems change frequently and are often difficult to detect. There is a risk that the Group may experience more frequent or more sophisticated such attacks in the future. In such circumstances, the Group's encryption of data and other protective measures may not prevent unauthorised access, service disruption or system sabotage. Moreover, its partners may also have insufficient or ineffective protective measures over which it has no control. Any future breach of its system or that of a partner could be material and harm its reputation, deter clients and potential.

Any failure, or perceived failure, by the Group or its partners to comply with applicable privacy laws could result in proceedings or actions against the Group by governmental entities or others, including class action privacy litigation, significant fines, penalties, judgments and reputational damage, requiring the Group to change its business practices and/or increase the costs and complexity of compliance. In addition, a privacy breach could also expose the Group to additional liability under the privacy legislation of different jurisdictions and result in the financial information of a customer and bank account access falling into the hands of criminal elements. Therefore, any inability on the Group's part to protect the privacy of any

personal data could have a material adverse effect on the Group's reputation and prospects.

The Group could also be subject to liability for claims relating to misuse of personal information, such as its use for unauthorised marketing purposes or in violation of data privacy laws. It cannot be certain that any contractual requirements which are included in any agreements entered into by the Group with third parties are always followed or that they will always prevent the unauthorised use or disclosure of data. In addition, the costs of systems and procedures associated with any protective measures, such as compliance with ISO/IEC 27001:2013, may increase and could adversely affect the Group's ability to compete effectively. Any failure to adequately enforce or provide these protective measures could result in liability, protracted and costly litigation and, with respect to misuse of personal information of the Group's customers, loss of clients and reputational harm.

The Group cannot make any assurances that its systems or arrangements with third parties will prevent the unauthorised use or disclosure of data or that it would be reimbursed by such third parties in the event of any unauthorised use or disclosure of data by them. Any such unauthorised use or disclosure of data could result in protracted and costly litigation, which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group may be subject to legislation and regulation in countries where it has no physical presence***

Regal Crown HK conducts business in territories where it has no physical presence, such as mainland China and could conduct in the future, in line with its intention to expand into new markets, in other territories. In such territories, there may exist a comparatively less developed understanding of applicable local law and regulation. If a member of the Group was found to be subject to and in violation of any such local laws and/or regulations, the relevant member of the Group could be subject to liability, required to change its business practices or forced to suspend operations or products in the relevant territory or potentially beyond. Alternatively, a member of the Group could be required to obtain licences or regulatory approvals. In either case, such an eventuality could result in costs or other consequences that could materially and adversely affect the financial performance and/or prospects of the Group.

***The Group may not have adequate insurance***

Although the Group seeks and will continue to seek to ensure that it is appropriately insured, it cannot be certain that any of its existing insurance policies will be renewed on equivalent terms or at all or that it will be able to obtain, or increase the amount of, insurance for any new risks that it may face in the future on terms that are acceptable to it. Accordingly, there is a risk that the Group may be unable to obtain the insurance cover it desires at premiums which it believes to be reasonable.

If the Group experiences an insured event, it cannot be certain that the proceeds of insurance which it receives will fully cover its loss.

Furthermore, the Group's insurance policies may be subject to deductibles or exclusions that could materially reduce the amount it recovers and, in certain circumstances, the policies could be void or voidable at the option of the insurer. In addition, the Group's insurers or its reinsurers may become insolvent and therefore not be able to satisfy any claim in full or at all.

Certain types of risks and losses (for example, losses resulting from acts of war or certain natural disasters) are not economically insurable or generally insured. If the Group experiences an uninsured or uninsurable loss in the future, it could incur significant expenditures, which could have a material adverse effect on the Group's business, financial condition and results of operations.

**Risks related to the nature of the securities**

***There is no existing market for the Ordinary Shares and an active trading market for the Ordinary Shares may not develop or be sustained***

Prior to Admission, there has been no public trading market for the Ordinary Shares. Although the Company has applied to the FCA for admission to the Standard Listing segment of the Official List and has applied to the LSE for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Ordinary Shares will develop or, if developed, could be sustained. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected

***Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the LSE and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

***Dividends may reduce or not be paid by the Company***

The ability of the Company to pay dividends on the Ordinary Shares in the future will depend on, among other things, growth in the underlying business and profitability of the Group, the Group's solvency, the Group's future profit, financial position, working capital requirements, general economic conditions and other factors that the directors deem significant from time to time.

Furthermore, the Company's ability to pay dividends depends primarily upon receipt of sufficient funds from its subsidiaries and is also subject to the requirements of the laws governing its subsidiaries including the laws of Hong Kong which apply to Regal Crown HK. The inability on the part of any of its subsidiaries to pay dividends would negatively affect the amount of funds available to the Company to pay dividends. There can therefore be no assurance as to the level of future dividends (if any) that may be paid by the Company.

With respect to Regal Crown HK in particular, according to the Hong Kong Companies Ordinance (Cap 622 of the Laws of Hong Kong), a Hong Kong incorporated private company may only make a distribution to its shareholders out of profits available for distribution, i.e. accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital.

***Future issues of Ordinary Shares may result in immediate dilution of existing Shareholders***

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund expansion and development. If existing Shareholders do not subscribe for additional Ordinary Shares on a pro rata basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Subscription Shares. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Issue Price.

***Future substantial sales of Ordinary Shares in the public market may depress the share price***

Sales of a substantial number of Ordinary Shares by holders of such shares in the public market could depress the market price of the Ordinary Shares. There can be no assurance that those Shareholders subject to the Lock-in Deed will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of the lock-in. The sale of a significant amount of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

**Risks related to the admission of the securities to trading on a regulated market**

***The proposed Standard Listing of the Ordinary Shares will be contemporaneous with the dilution of existing investors by virtue of the issue of the Subscription Shares***

As Subscription Shares are being issued, conditional upon Admission, the interests of investors immediately before Admission will be diluted. The Subscription and Admission will result in the existing Ordinary Shares in issue immediately prior to Admission being diluted so as to constitute approximately 69.74 per cent. of the Enlarged Share Capital.

### ***A Standard Listing affords less regulatory protection than a Premium Listing***

A Standard Listing will afford investors a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules, which may have an adverse effect on the valuation of the Ordinary Shares.

While the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which is only applicable to companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

### ***The Company's stock price may fluctuate significantly, which could cause the value of a Shareholder's investment to decline, and Shareholders may not be able to sell their shares at or above the initial public offering price***

An investment in a quoted company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time or to lose their investment principal. While various investment opportunities are available, potential investors should consider the risks that pertain to early-stage companies.

Securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions could reduce the market price of the Ordinary Shares regardless of the Group's results of operations. The trading price of the Ordinary Shares is likely to be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market;
- actual or anticipated fluctuations in the Group's quarterly financial and operating results;
- the introduction of new services by the Group, its competitors or its clients;
- strategic actions by competitors (including acquisitions and restructurings);
- operating share price performance of other companies that investors may consider comparable to the Group;
- issuance of new or changed securities analysts' reports or recommendations;
- speculation about the Group in the press or the investment community;
- investor perceptions of the Group and the industries in which it or its clients operate;
- sales, or anticipated sales, of large blocks of the Ordinary Shares, including those by its existing Shareholders;
- additions or departures of key personnel;
- legal or political developments;
- litigation and governmental investigations; and
- changing economic conditions.



### ***Overseas shareholders may be subject to exchange risk***

The Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in British pound sterling. An investment in Ordinary Shares by an investor whose principal currency is not British pound sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of British pound sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in foreign currency terms.

### **Risks relating to taxation**

#### ***Changes in tax laws may reduce any net returns for Shareholders***

The tax treatment of Shareholders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish or any other entity related to the Group are all subject to changes in tax laws or practices in the UK, Hong Kong and any other jurisdiction in which the Company may establish a subsidiary, from time to time.

Any change in tax law, regulation or policy, which could have retrospective effect, may reduce any net return derived by Shareholders from an investment in the Company and could also have a significant impact on the tax costs and compliance obligations of certain products or services, markets or partnership arrangements impacting the Group's pricing, and therefore, customers' demand for the Group's products and services.

#### ***There can be no assurance that the Company will be able to make returns to Shareholders in a tax-efficient manner***

The Company will act as the holding company to a trading group, including Regal Crown HK and any company, business or assets acquired in any further acquisition. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

#### ***The Group may fail to correctly apply tax laws and regulations***

The Group is subject different forms of taxation. Tax authorities around the world may not agree with the Group's determinations with respect to the application of tax law. Any disagreements could result in lengthy and costly legal disputes, an increased overall tax rate applicable and, ultimately, in the payment of substantial amounts for tax, interest and penalties, and potential proceedings against the Group and its officers. Challenges by tax authorities may result in material financial exposures for the Group (historic tax costs not included in pricing), the closure of routes where increased tax costs make them uneconomical, or the termination of agreements with local financial institutions and litigation, if agreement cannot be reached on the responsibility for any increased tax costs or filings.

Additional tax expenses could accrue in relation to previous tax assessment periods, which may be subject to a tax audit within the applicable statute of limitations, which may be extended due to lack of disclosure of transactions, negligence or fraud. As a result, the tax authorities could revise original tax filings or assessments and substantially increase the tax burden (including interest and penalty payments) on affected entities.

## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company will comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1, which apply to all companies with securities admitted to the Official List. The Company will also comply with the Listing Principles at Listing Rule 7.2.1A, notwithstanding that these only apply to companies which obtain a Premium Listing on the Official List. With regard to the Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the FCA.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which is only applicable to companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue. Should the Company determine to seek a transfer to a Premium Listing, there is no guarantee that it would be able to fulfil the relevant eligibility criteria.

**It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Prospectus are themselves misleading, false or deceptive.**

## IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors. Without prejudice to the Company's obligations under the FSMA, the Prospectus Regulation Rules, Listing Rules and Disclosure and Transparency Rules, neither the delivery of this Prospectus nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Prospectus or any subsequent communications from the Company, the Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary", which begins on page 4 of this Prospectus, should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor. In particular, investors must read Section C of the Summary (Key Information on the Securities), together with the risks set out in the section headed "Risk Factors" beginning on page 11 of this Prospectus.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Prospectus are required by the Company and the Directors, to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this Prospectus under the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors accept any responsibility for any violation of any of these restrictions by any person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada or Japan. The Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, in or into the United States, Australia, Canada or Japan or to any national, resident or citizen of the United States, Australia, Canada or Japan. There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold solely in offshore transactions within the meaning of and in accordance with Regulation S under the Securities Act.

### **Data protection**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United

Kingdom or elsewhere; and

- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the United Kingdom to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data, it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

### **Investment considerations**

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Prospectus and the terms of the Admission, including the merits and risks involved. The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective or objectives will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which investors should review.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things, the Company's objectives, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Company's actual performance, results of operations, financial condition, distributions to shareholders

and the development of its financing strategies may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the "Risk Factors" section of this Prospectus for a discussion of risk factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 31 of Part VI of this Prospectus (General Information).

Forward-looking statements contained in this Prospectus apply only as at the date of this Prospectus. Subject to any updating obligations required under Listing Rules, the Disclosure and Transparency Rules and the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

For the avoidance of doubt, none of the forward-looking statements that appear in this Prospectus seek to qualify the Company's working-capital statement.

### **Third party data**

Where information contained in this Prospectus has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **No profit forecast**

No statement in this Prospectus is intended as a profit forecast.

### **Currency presentation**

Unless otherwise indicated, all references in this Prospectus to "UK Sterling", "British pound sterling", "sterling", "£", or "pounds" are to the lawful currency of the UK.

Unless otherwise indicated, all references in this Prospectus to "HKD", "HK\$" or "Hong Kong dollars" are to the lawful currency of Hong Kong.

Unless otherwise indicated, all references in this Prospectus to "US\$" or "US Dollars" are to the lawful currency of the United States of America.

Unless otherwise indicated, all references in this Prospectus to "€" or "Euro" are to the lawful currency of the participating member states of the Eurozone.

### **No incorporation of website**

The contents of any website of the Company or any other person do not form part of this Prospectus.

### **Minimum Market Capitalisation**

With effect from 3 December 2021, the FCA amended Listing Rule 2.2.7R to require a minimum market capitalisation for new applicants for listing on the Official List of £30 million. Under transitional provisions, the Company is able to rely on the previous minimum market capitalisation of £700,000 in respect of its application for Admission.

### **Definitions**

A list of defined terms used in this Prospectus is set out in "Definitions" beginning at page 218.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*The dates, times and offer statistics in this Prospectus are subject to change at the determination of the Company, following consultation with its advisers. Any such change will be announced publicly by the Company via an RIS. All times are London, UK times.*

Admission and commencement of dealings in Ordinary Shares	8.00 a.m. on 23 March 2022
CREST members' accounts credited in respect of Ordinary Shares	23 March 2022
Ordinary Share certificates dispatched	Within 10 business days of Admission

## STATISTICS

Total number of Ordinary Shares unconditionally issued pre-Admission	75,000,000
Total number of Ordinary Shares issued pursuant to the Subscription	32,534,591
Total number of Ordinary Shares in issue on Admission	107,534,591
Percentage of Enlarged Share Capital represented by the Subscription Shares	30.26%
Issue Price	£0.062
Gross proceeds of the Subscription	£2,016,999
Estimated costs in connection with the Subscription	£800,000
Estimated net proceeds of the Subscription	£1,216,999
Expected market capitalisation of the Company at the Issue Price on Admission	£6,667,145

## DEALING CODES

LEI	213800LQJTSFR2XY322
ISIN	GB00BMG8BL95
SEDOL	BMG8BL9
EPIC/TIDM	RCGH



## DIRECTORS AND ADVISORS

<b>Directors</b>	Kwai Wah Sunny NG	<i>Non-Executive Director and Chairman</i>
	Robert Cairns	<i>Non-Executive Director</i>
	Ajay Rajpal	<i>Non-Executive Director</i>
	Chi Kit LAW	<i>Executive Director and Chief Executive Officer</i>
	Hon Keung CHEUNG	<i>Executive Director and Chief Financial Officer</i>

The business address for each of the Directors is:

Cannon Place  
78 Cannon Street  
London, EC4N 6AF

**Founder** Chi Kit LAW

**Financial Adviser** Chief Financial Capital Limited  
11/F, FWD Financial Centre  
308 Des Voeux Road  
Central Sheung Wan, Hong Kong

**Subscription Agent and Broker** VSA Capital Limited  
Park House  
16-18 Finsbury Circus  
London, EC2M 7EB

**Reporting Accountants and Auditor** Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London, EC1M 7AD

**Company's Solicitors (English law)** CMS Cameron McKenna Nabarro Olswang LLP  
Cannon Place  
78 Cannon Street  
London, EC4N 6AF

**Company's Solicitors (Hong Kong law)** Guantao & Chow Solicitors and Notaries  
Suites 1801-03  
18/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

**Registrars** Share Registrars Limited  
Molex House  
3 The Millennium Centre  
Crosby Way  
Farnham  
Surrey  
GU9 7XX

**Company Secretary** Hon Keung CHEUNG

**Registered Office** Cannon Place  
78 Cannon Street  
London, EC4N 6AF

## PART I. INFORMATION ON THE BUSINESS OF THE GROUP

### 1. Principal Activities

The Company was incorporated on 24 March 2021. The Company is a holding company whose sole activity currently consists in holding 100 per cent. of the shares of Regal Crown HK, which it acquired pursuant to the Intragroup Reorganisation undertaken in connection with the Admission, as further described in paragraph 2.4 of Part VI of this Prospectus. At Admission, the Company's sole subsidiary undertaking will be Regal Crown HK. Regal Crown HK is a fintech solutions service provider, which was founded in Hong Kong in 2013.

The major business segments that the Group is currently focussing on are as follows:

*Payment gateway solutions (online and offline):* Regal Crown HK's payment gateway system, which has been certified in accordance with ISO/IEC 27001:2013 and ISO9001:2015, provides an efficient and secure payment gateway service aimed at facilitating the growing banking needs of the Asian community for cross border payment services. The system was developed in two phases: first in 2014 for Mobile Point Of Sale (offline services) and then in 2015 for online services. Around 10 years ago, merchants were still using traditional POS terminals and slow telephone line connections provided by banks. Regal Crown HK therefore developed its own version of the Mobile Point Of Sale ("**mPOS**") using Wifi and Bluetooth connectivity which is easier to use, in particular as it does not require any additional hardware to be installed. An mPOS or mobile POS is a portable and handheld point of sale device, such as a smartphone or a tablet, that functions as a standard POS and register. Typically linked to traditional hardware like credit card machines and receipt printers, it is run on cloud technology, which means data can be accessed anywhere and anytime. In addition to its mPOS, Regal Crown HK developed an online payment gateway for merchants offering online shopping services which allows the merchants' customers to pay online and also using their mobile phones. Regal Crown HK's offering to its business partners as a B2B working model also enables Regal Crown HK to economise on sales and marketing, promotion and business development costs, and therefore improve its profitability.

Regal Crown HK contracts with its customers for the provision of the full payment gateway solution, particularly the design of the solution for the customer, any necessary software development and the sourcing of any hardware required by the customer. Regal Crown HK then engages with a sub-contractor to deliver and install the relevant hardware to the customer, and to ensure that the software is properly installed in accordance with Regal Crown HK's design specification. The customer remains contracted with Regal Crown HK which provides additional support should the sub-contractor require it.

*IT support and security services (including one-off IT Project Services):* the Group's experienced IT team (both in-house and outsourced), which has been certified in accordance with ISO/IEC 27001:2013, provides IT technical support services on a 24/7 basis, cyber security consultation services and portal support services to its clients. The IT team provide a cost-effective service which enables SMEs to outsource their IT and customer service functions to Regal Crown HK, and allowing the SMEs to focus on their business activities. In addition, SMEs which are changing their business model to an online one, face new cyber-related issues which they need to address, such as hacking and service interruptions. Regal Crown HK acts as a cyber security advisor to SMEs and helps them to maintain a stable and secure online environment.

Regal Crown HK also provides ancillary Business Support Services for most of its Hong Kong based customers.

These services, including maintenance services for Regal Crown HK's payment gateway solutions, are provided either directly by Regal Crown HK's in-house IT team or through outsourced subcontractors. Regal Crown HK maintains the customer relationship throughout but will typically outsource the more labour intensive and/or lower-skill aspects (such as where there is a need to check the hardware at a customer's premises) but then address any more complex issues through its in-house team.

### 2. Significant New Products or Services

CatchAR is the Group's proprietary, internally developed mobile application for Android and iOS, which is aimed at providing clients in businesses, such as catering and entertainment which address large numbers of consumer customers, a platform to promote their services and branding through the Group's innovative AR (augmented reality) and VR (visual reality) system. CatchAR was soft launched in Hong Kong in September 2021 and currently has 8 clients using it. Once it has been fully developed, the Group plans to expand CatchAR to clients in China, Japan and Singapore. The application uses i-beacon Bluetooth and AR/VR technology to allow consumers to receive notifications with promotions, access interactive

mini-AR games and coupon redemptions for shops and events. Both consumers and merchants will need to use Regal Crown's payment gateway solutions in order to benefit from these coupon and discount redemptions. In addition, the mobile application itself is compatible with the Indoor Positioning System (IPS) which is used by certain large hotels and resorts, property management companies and property developers, and which the Directors believe might provide another source of revenue in the future.

In addition to CatchAR, Regal Crown HK is developing a new "Maid-Maid Matching" platform which it soft launched in Q4 of 2021. The roll out of the full service will occur once the obtaining of all necessary exemptions and licences under Hong Kong laws (a process which Regal Crown HK has commenced) has been completed, which is expected to be completed in Q2 of 2022. The roll out into other jurisdictions is subject to confirming whether any licences or other requirements may be applicable and will need to be put in place in connection with this activity in applicable jurisdictions. This platform is based on P2P (peer-to-peer) matching to allow prospective maids searching for jobs to find an employer online without having to pay a high commission to a local employment service company. In addition, the platform will provide the employer with a report regarding the maid including references for the previous year. When an employer uses this platform to hire a maid, the platform allows the employer to pay the maid's salary online without cash via Regal Crown HK's payment gateway. Regal Crown HK is currently in discussions with various companies in respect of offering those third party companies pop up advertising opportunities which may be included in the app, such as logistic services providers, recruitment businesses and foreign currency exchange services providers.

Regal Crown HK is also working on a "Fintech 2.0" update to its payment gateway solutions to include additional services such as e-marketing and promotions.

Further, Regal Crown HK has started the application process to become an IT services provider to the Hong Kong Government, which is known as SOA-QPS5 (Minor Group). The proposed QPS5 contract period was due to run from January 2022 to December 2024, however due to further Covid-19 restrictions introduced in Hong Kong in response to the outbreak of the omicron variant, the process has been delayed and the Company is waiting to be advised of an updated timetable. The SOA-QPS5 (Minor Group) is a list of vendors/service providers which are recognised by the Hong Kong Government. The vendors/service providers on this list benefit from a priority to provide services to the Hong Kong Government and are informed when a new project is contemplated, in order for them to take part in the tender process. If a provider is not included on this list, it can still provide services to the Hong Kong Government, however it will not have the priority to be informed of or take part in the relevant project. Further details are available on the following website for reference: [https://www.ogcio.gov.hk/en/our\\_work/business/business\\_window/soa\\_qps.html](https://www.ogcio.gov.hk/en/our_work/business/business_window/soa_qps.html)

The Group is also in discussions with UK and European merchants, banks and other financial services companies over the use of Regal Crown HK's payment gateway solution to allow access for UK and European based businesses and consumers to access Asian, and particularly, Chinese counterparties. Regal Crown HK's gateway solutions allow for access to the major Chinese e-commerce payment services such as UnionPay, Alipay and WeChat Pay and the Group anticipates expanding its offering to allow UK and European customers to interface with Chinese merchants (which typically are using the likes of UnionPay, Alipay and WeChat Pay whilst using international payment providers such as Visa and Mastercard). For example, non-Chinese customers may be unable to have accounts with and use Chinese payment services such as UnionPay, Alipay and WeChat Pay and therefore are unable to easily transact with Chinese counterparties. Regal Crown HK's payments gateway can allow a UK customer to pay for goods or services through their Visa account whilst the Chinese supplier receives payment through their UnionPay, Alipay or WeChat Pay account. The Group intends to use some of the proceeds of the Subscription to develop this business, including determining whether or not the Group should continue to act solely as a payments gateway service or should expand further up the payment services chain into areas which may require the Group to seek payment licences in applicable jurisdictions in order to more fully service potential UK and European customers. For the avoidance of doubt, the Group anticipates that it will continue to provide its services to business customers, albeit that the Group's services will facilitate or enhance the provision of services by the Group's customers to their ultimate customers, which may include consumers.

### **3. Principal Markets**

Regal Crown HK is headquartered in Hong Kong with the Company having its registered office in London, United Kingdom. Regal Crown HK is a fintech solutions and IT service provider in China and Hong Kong and is looking to expand its fintech and IT services into Europe and the UK in 2022. The Group believes that a Standard Listing will be beneficial in achieving this desired expansion, as it will not only give it access

to equity finance, but will also raise its profile in the UK and Europe.

The revenue generated in Hong Kong compared to China is roughly 60:40 for the financial years ended 31 March 2020 and 31 March 2021. Hong Kong has been one of the principal markets for Regal Crown HK for the last two financial years.

Following the outbreak of the COVID-19 pandemic (in Hong Kong and China in late 2019), most countries in the world imposed lock down and other restrictions which have adversely affected economic growth. Regal Crown HK's revenue in 2021 remained similar to its revenue in 2019 which was approximately HKD8.0 million compared to HKD11.7 million in 2020. However, as a result of lower subcontracting fees and staffing costs, Regal Crown HK generated a profit for the financial year ended 31 March 2021 which is a record high for the past five years.

As a result of a change in payment habits in Hong Kong and China, Regal Crown HK's payment gateway service income in Hong Kong amounted to approximately HKD1.0 million (HKD0 in 2020) and HKD1.35 million in China (HKD0.75 million in 2020). The increase in revenue between 2020 and 2021 in both the Hong Kong and Chinese markets was driven by an increase in the number of customers using touchless and electronic payment services for their own transactions with their ultimate customers.

Given the uncertain economic market conditions in Hong Kong and China, IT Support and Security services (including IT Project Services) for the Hong Kong and Chinese markets decreased as a result of deferred CAPEX expenditure and cost-cutting measures. The Board expects the demand for IT Support and Security Services to improve to the extent that the economy recovers by 2022 and 2023.

The below table shows the breakdown of Regal Crown HK's total revenues between the Hong Kong and PRC markets during the last three financial years (ending 31 March):

	2018/19		2019/20		2020/21	
	HKD('000)	(%)	HKD('000)	(%)	HKD('000)	(%)
Hong Kong	4,122	49%	7,051	59%	4,193	57%
The PRC	4,275	51%	4,518	41%	3,170	43%
<b>Total</b>	<b>8,397</b>	<b>100%</b>	<b>11,569</b>	<b>100%</b>	<b>7,363</b>	<b>100%</b>

The below table shows the breakdown of Regal Crown HK's total revenues by operating segment for the Hong Kong market during the last three financial years (ending 31 March):

Hong Kong	2018/19		2019/20		2020/21	
	HKD('000)	(%)	HKD('000)	(%)	HKD('000)	(%)
Payment Gateway Solutions (mPOS and Online Payment)	-		-		990.00	24%
IT Project Services	600	15%	1,300	18%	100	2%
IT Support and Security	2,498	61%	5,471	78%	2,192	52%
Business Support Income	1,024	25%	280	4%	911	22%
<b>Total</b>	<b>4,122</b>	<b>100%</b>	<b>7,051</b>	<b>100%</b>	<b>4,193</b>	<b>100%</b>

The below table shows the breakdown of Regal Crown HK's total revenues by operating segment for the PRC market during the last three financial years (ending 31 March):

The PRC	2018/19		2019/20		2020/21	
	HKD('000)	(%)	HKD('000)	(%)	HKD('000)	(%)
Payment Gateway Solutions (mPOS and Online Payment)	2,063	48%	750	17%	1,350	43%
IT Project Services	-	0%	1,050	23%	650	21%
IT Support and Security	2,212	52%	2,718	60%	1,170	37%
Business Support and Other Income	-	0%	-	0%	-	0%
<b>Total</b>	<b>4,275</b>	<b>100%</b>	<b>4,518</b>	<b>100%</b>	<b>3,170</b>	<b>100%</b>

#### 4. Trends

The markets in which the Group operates are characterised by rapid technological change, with a shift to online commerce and new payment systems. According to the "Capterra mPOS/ Mobile Payments 2020 Adoption Survey" <sup>1</sup>, 46 per cent. of retailers exclusively use mPOS in-store, compared to 32 per cent. in

2017, while 34 per cent. use a combination of traditional and mPOS systems.

According to the J.P. Morgan 2019 Global Payments Trends Report - United Kingdom Country Insights <sup>2</sup>, e-commerce transactions completed on a mobile device, in-app, and using a browser are the preferred methods of e-commerce. According to this report, payment by card remained the most common method, accounting for 53 per cent. of payments in the United Kingdom, followed by digital wallets (25 per cent.), whereas cash payments only accounted for 7 per cent.

According to the J.P. Morgan 2020 E-commerce Payments Trends Report: Hong Kong <sup>3</sup>, Hong Kong's mobile commerce uptake is lower than mainland China, which has the highest rate globally (60 per cent.) but still constitutes a significant part of its overall e-commerce with 47 per cent. of transactions completed via mobile in 2019. According to this report, card payments also remained the most utilised payment method for Hong Kong e-commerce, used in 40 per cent. of all transactions, followed by digital wallets which accounted for 36 per cent. of transactions, whereas cash payments accounted for only 6 per cent. in 2019. According to this report, payments by card and digital wallet are expected to account for 81 per cent. of transactions in 2023, compared to only 1 per cent. for cash payments.

Based on the existing trends indicated above, as well as J.P. Morgan's predictions for 2023, mPOS is expected to soon replace traditional payment methods. mPOS and mobile payments are growing increasingly popular due to the simpler payment procedure, which lowers the overall transaction cost. These payment methods save time by allowing all information to be obtained through the platform, from payment through completion.

Innovation marketing, in addition to the online payment platform, is also an important component of the market. Innovation marketing involves using original methods and actions to promote new products and services to a targeted group of consumers. In marketing, innovation refers to the development of new ideas that have a favourable impact on a new product or service. For a business, innovation is critical. It is not enough for a company to produce goods and services; it must also provide better and more cost-effective goods and services. It is not necessary for a company to grow, but it is vital for it to improve on a regular basis. Innovation marketing concerns all phases of the process, ensuring customer and market orientation.

As noted above, Regal Crown HK has seen increasing demand for its services from UK and other European based customers seeking payment gateway services to payment service providers in the Asian and Chinese markets, services which Regal Crown HK's payment gateway is equipped to provide.

## 5. Important Events

The following events were material in the development of the business to date:

- Regal Crown HK was founded in 2013.
- The business launched mPOS in 2014, which replaces a merchant's POS terminal.
- The Hong Kong Government invited Regal Crown HK to participate in an innovation panel assessment on the launch of the iBeacon Prototype in 2016.
- In 2017, Regal Crown HK was certified in accordance with ISO27001. In the same year, it became an exhibitor at the G2E Asia Expo and the ICE Expo, expanding the business to Greater China.
- From 2018 to 2020, additional services were launched. In 2018, Regal Crown HK launched its flipbook, at Wynn Macau. A flipbook is an electronic version of a traditional printed book which can be read using a personal computer, a mobile or a tablet device. In 2019, Regal Crown HK also enhanced its payment system and enabled customers to receive Amazon payments.
- In 2020 Regal Crown HK received its second ISO27001 accreditation and began preparing for the proposed IPO and Standard Listing. In connection with this objective, on 24 March 2021, the Company was incorporated.
- In 2021, Regal Crown HK was certified in accordance with ISO9001:2015 Quality Management Systems (QMS) certification.

## 6. Strategic Objectives

Regal Crown HK focuses on a B2B business model which incorporates fintech in its services to enable

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<sup>1</sup> <https://www.capterra.com/point-of-sale-software/mpos-user-research/#retailers>

<sup>2</sup> <https://www.jpmorgan.com/merchant-services/insights/reports/united-kingdom>

<sup>3</sup> <https://www.jpmorgan.com/merchant-services/insights/reports/hong-kong-2020#infographic-text-version-uniqld1629131938058>

small and mid-sized businesses to run their businesses more easily and conveniently.

Regal Crown HK's services are aimed at improving the customer experience and where possible reducing costs as compared to certain other payment solutions service providers which can charge higher rates. From taking steps to issuing a bill to accepting payments, Regal Crown HK seeks to reduce costs by allowing customers to complete their transactions using its payment gateway solution.

Keep innovating and stay in line with the latest trends:

Regal Crown HK seeks to acquire and use strong market insight to stay ahead of the market and anticipate future trends and potential ways to apply the latest technology, including in the fintech services industry in the UK and Europe. A key focus for the Group is developing innovative products and services to attract new customers.

In addition to the Maid-Maid Matching service which soft launched in Q4 2021 (subject to any jurisdictional licencing or other prior requirements), Regal Crown HK aims to continue work on further integrating iBeacon, CatchAR and E-Marketing into its services, in order to offer as comprehensive a service as possible, and stand out from other applications of its competitors currently available on the market which do not offer such services, such as KPay or CJ infinity HK.

Regal Crown HK budgeted about HKD1.0-1.5 million for the development and promotion of Catch AR and an e-KYC app to be introduced in the Hong Kong market and then the Greater China market in the coming 18 months, followed by the UK and the EU. The management team aims for the CatchAR and e-KYC apps to enable Regal Crown HK to attract about 10-15 customers in the coming 18 months and subsequently a further 20-25 customers in the next 18 months. The market tech-oriented Catch AR and e-KYC apps are expected to boost existing services provided by Regal Crown HK including its payment gateway services and IT Security and Support services.

Expand to new markets and grow the customer base:

The Group also plans to expand its CatchAR services to clients in China, Japan and Singapore in Q2 2022, and as well as more generally expand its fintech and IT services into Europe and the UK in 2022.

The Directors further believe that the fintech services markets in the UK and Europe are relatively under-developed as compared to Asia, China and Hong Kong and that accordingly there are significant opportunities for the Group to expand its business in the UK and Europe. For example, as noted in the JP Morgan reports referred to above, card payments accounted for 53% of payments in the UK vs 60% in Hong Kong and e-wallets 25% vs 40% in Hong Kong. Regal Crown HK has seen significant interest from UK and European merchants and banks and other financial institutions in the provision of a payment gateway allowing interaction between the major European payment services providers such as Visa and Mastercard and Asian and Chinese providers such as UnionPay, Alipay and WeChat Pay (which are typically not accessible by persons outside the Asian region and/or China). Accordingly, the Directors consider that there is considerable scope for growing the Group's business in the UK and Europe as these markets develop in line with the Asian and Chinese markets with an increasing growth in e-commerce and the associated payment requirements.

The UK was chosen as the Company's headquarters given the UK's attractive environment for growing fintech companies. The Standard Listing of the Company is part of that objective and the Directors believe that a Standard Listing will not only give the Company access to equity finance, but will also raise its profile in, and demonstrate its commitment to, these new markets.

As the Group seeks to expand into these new markets, it expects to need to invest in those markets in the form of obtaining regulatory advice, identifying and training suitable outsourced support services and having a customer liaison team available in the jurisdiction, at least in the initial set up and onboarding of customers phase. The Company intends to deploy at least a quarter of the proceeds of the Subscription in the expansion of its activities into the UK as its first European market with a further half of the proceeds to be deployed in assessing the regulatory positions in different jurisdictions and applying for any necessary licences to allow the Company to pursue its plans. The Directors intend to establish European headquarters in the UK which will include legal and compliance, operational and marketing teams. Such expansion plans are expected to be implemented following Admission (using proceeds from the Subscription) but have not been commenced or committed to prior to Admission.

Customer-centric:

Regal Crown HK offers its services to a range of different customers, individuals, local SME retail groups or cross-border customers and will continue to seek to maintain its customer-centric approach, delivering the best possible service. For the avoidance of doubt, the Group does not see its target customers as end-

user consumers but rather the businesses, in whatever form, which provide services to the end-users.

## 7. **Regulatory Environment**

Regal Crown HK has been certified in accordance with ISO/IEC 27001:2013 and ISO9001:2015.

The Group does not require any licences or authorisations in order to carry on its business as currently carried on and in the jurisdictions where it currently operates. The Directors anticipate that as the Group expands into new markets and jurisdictions, and further develops the products which it offers its customers, the Group is likely to require to apply for and maintain licences and/or authorisations and/or approvals from applicable local regulators. While the Directors believe that the Group's technology, in particular its payment gateway, can be readily adapted for the UK and European markets, the Group will require professional advice in each new market it seeks to address to ensure that its activities will comply with local regulations and to confirm whether or not the Group's current and/or proposed future activities will require it to apply for any licences or other approvals.

## 8. **Investments**

There are currently no material investments in progress and the Group has not made any firm commitments in respect of any such possible investments. The Board does expect that it will invest in technology projects in the future.

## 9. **Key Individuals**

The Group is led by Chi Kit LAW (Mr. Michael LAW), Chief Executive Officer. Mr. LAW is the CEO of Regal Crown HK, having held the role since April 2017, and having previously been the COO of Regal Crown HK from July 2013 to March 2017.

Hon Keung CHEUNG (Mr. Vincent CHEUNG) is the Chief Financial Officer of the Group, having held the role of Chief Financial Officer of Regal Crown HK since October 2018 (Mr. LAW and Mr. CHEUNG, together, the "**Key Executive Directors**").

Mr. LAW (Chinese name: 羅志杰), age 41, has almost 20 years' of payment solution and banking leadership experience, having previously held roles as Head of Banking Systems at MoneySwap plc and Assistant Vice President of Group Technology and Operations at DBS Bank where he was awarded the Chairman's Reward for each year he was there. Mr. LAW was also awarded the JP Morgan Services Star Award. Mr. LAW has managed multi-national banking projects when he was at Standard Chartered Bank, HSBC, JP Morgan Chase and DBS Bank. Mr. LAW holds a Masters in Advanced Management from the University of Liege and a Bachelor of Information Technology (Honours) from West Coast Institute of Management & Technology, Perth, Western Australia.

Mr. CHEUNG (Chinese name: 張漢強), age 46, has 20 over years' of operational and financial leadership experience in banking and payment solutions, having previously been Chief Consultant of Mondo Consulting Company providing cross-border taxation and business advisory services to SME clients located in Hong Kong, China and Korea, from 2016 to 2018, and various accounting and audit roles, from 1997 to 2016. Mr. CHEUNG holds a Masters in Business Administration from Deakin University, Australia and a Bachelor of Accountancy (Honours) from City University of Hong Kong. Mr. CHEUNG is a member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Taxation.

## 10. **Current and Expected Market Competitors**

In China and Hong Kong, there are numerous small competitors in fintech (online payments and mPOS support) and IT support services. The Board believes its competitive edge is due to its more comprehensive, faster, and reliable service than its lower-cost competitors. Its competitors in these markets include Wellan, Kpay, CJ Infinity HK Ltd, and Yedpay, whose offer is limited to a POS system and payment facilitation services. Regal Crown HK not only provides payment gateway services, but also services that are tailored to the customer's needs, as well as e-marketing services and CatchAR.

With the continued use of electronic payment systems (both online and offline) and the outsourcing of IT support services by medium-sized international enterprises, it is projected that more IT companies based in Hong Kong and China will offer similar services to the local Asian and Chinese market at a lower cost in the future. Regal Crown HK intends to continue to seek to provide its customers with quality and reliable services at a reasonable price and is currently developing a payment and marketing service to gain a competitive advantage in Hong Kong. The e-marketing service, combined with the payment gateway services, tracks the habits of users, allowing customers to improve their marketing strategy and locate the target end customer. This enables them to gain deeper market insight for their business.

## 11. Customers and Suppliers

Regal Crown HK is currently operating mainly in Hong Kong and China and enjoys a diverse customer base. Regal Crown HK served 16 customers during the financial year ended 31 March 2021 based in Hong Kong and China.

The following table shows the breakdown of Regal Crown HK's revenue by geographical locations for the financial years ended 31 March 2019, 2020, and 2021.

	2018/19		2019/20		2020/21	
	HKD('000)	(%)	HKD('000)	(%)	HKD('000)	(%)
Hong Kong	4,122	49%	7,051	61%	4,193	57%
PRC	4,275	51%	4,518	39%	3,170	43%
Total	8,397	100%	11,569	100%	7,363	100%

Regal Crown HK customers are mainly divided into three categories which are Merchandising, Information Technology and Catering Services.

	2018/19		2019/20		2020/21	
	HKD('000)	(%)	HKD('000)	(%)	HKD('000)	(%)
Merchandising	5,268	63%	5,657	49%	4,106	56%
Information Technology	2,947	35%	4,264	37%	1,432	19%
Catering	137	2%	1,450	13%	1,006	14%
Others	45	1%	200	2%	821	11%
Total	8,397	100%	11,571	100%	7,365	100%

Merchandising clients include both wholesale and retail clients. Regal Crown HK provides sales support services to them through its payment gateway solutions (mPOS and Online Payment) as well as IT Support and Security Services in connection with their e-commerce sales services which they provide to their own clients.

Information Technology clients are agents and/or intermediaries who use Regal Crown HK's payment gateway and IT Support and Security Services in supporting their own IT services provided to their ultimate customers.

Catering clients provide direct services to their ultimate customer. Regal Crown HK provides payment gateway support services to such customers as well as IT Support and Security Services in connection with their daily transactions with their own clients.

Regal Crown HK also outsources certain services to subcontractors to perform certain tasks such as labour-intensive work with relatively low skill requirements and routine maintenance and support work where the subcontractor has expertise or resources. As at 10 March 2022, being the latest practicable date prior to the publication of this Prospectus, Regal Crown HK engages with two subcontractors based in Hong Kong and China respectively.

## 12. Directors and Senior Management

The Company's board of directors consists of two key Executive Directors, Chi Kit LAW (Michael LAW) and Hon Keung CHEUNG (Vincent CHEUNG), and three independent non-executive Directors, including the chairman. Each of the non-executive Directors is considered to be "independent" for the purposes of the QCA Governance Code.

The board of the Company is structured as follows:

Kwai Wah Sunny NG	<i>Non-Executive Director and Chairman</i>
Robert Cairns	<i>Non-Executive Director</i>
Ajay Rajpal	<i>Non-Executive Director</i>
Chi Kit LAW	<i>Executive Director and Chief Executive Officer</i>
Hon Keung CHEUNG	<i>Executive Director and Chief Financial Officer</i>

Mr. Kwai Wah Sunny NG (Chinese name: 吳季驊), age 42, has over 20 years' experience in corporate restructuring, mergers and acquisitions, project financing, lending and investment management. He is the founder and managing director of Davidsons Group, a business and private equity consultancy service



organization based in Hong Kong. He is an Executive Director of Times Universal Group Holdings Limited, a company listed in the Hong Kong stock exchange. Mr. NG graduated with a Bachelor of Commerce degree in actual studies and accounting from the University of New South Wales. He is a member of both the Certified Practising Accountants in Australia and the Hong Kong Institute of Certified Public Accountants.

Mr. Robert Cairns, age 50, has over 25 years' experience in accounting and finance control and served in senior positions at various private companies in the United Kingdom throughout his career. Robert is currently the Finance Director and a member of the Board of Directors & Executive Committee of Les Ambassadeurs Club. Robert graduated from Lancaster University with a Bachelor of Science Honours degree in Geography and is a member of the Chartered Association of Management Accountants in the United Kingdom.

Mr. Ajay Rajpal, age 52 is a Chartered Accountant and member of the Institute of Chartered Accountants in England & Wales (ICAEW). During his career, he has gained broad-ranging commercial experience developed in the US, Europe, Middle East and Far East, with a particular focus on M&A, financial management and insolvency/restructuring. Post qualification, Mr. Rajpal held a number of finance-related roles which involved working for periods in the US, Europe, Middle East and Far East. Since 2011, Mr. Rajpal has run his own consultancy business, NAS Corporate Services Ltd, providing companies with various corporate services, such as assistance with their pre-IPO funding, the IPO process and post IPO management. Mr. Rajpal assisted Grand Vision Media Holdings Plc, a special purpose acquisition company listed on the standard segment of the London Stock Exchange, which successfully completed a reverse takeover of an outdoor media business in Hong Kong/China. Mr. Rajpal is currently non-executive director of Grand Vision (which continues to be listed on the standard segment). Mr. Rajpal has also project managed the initial public offering process and assisted with the associated funding of two businesses on AIM, namely New Trend Lifestyle Group Plc, which provides Feng Shui products and services across Asia, and Zibao Metals Recycling Group Plc, a Hong Kong and China based metals recycling company. He currently acts as a non-executive director for Phimedix Plc (formerly named Zibao Metals Recycling Group Plc), and Dozens Savings Plc.

The additional senior management of the Group are as follows (together, the "**Senior Managers**"):

Wai Yiu TANG (Timothy)	<i>Vice President, Finance</i>
Ching Tat LEE (Ted)	<i>Vice President, Information Technology</i>
Qihong LIANG (Daisy)	<i>Vice President, Customer Services and Operations</i>

Timothy (Chinese name: 鄧煒堯), age 52, has held the role of Vice President, Finance of Regal Crown HK since October 2020. Timothy has nearly 20 years' of audit and accountancy experience, having previously been a Partner at William Lee, Paul Tang & Co. and a Senior Auditor at Ernst and Young. Timothy holds a Bachelor of Commerce in Accounting from the University of New South Wales. Timothy is an associate member of CPA Australia and a member of The Hong Kong Institute of Certified Public Accountants.

Ted (Chinese name: 李政達), age 38, has held the role of Vice President, Information Technology of Regal Crown HK since August 2020. Ted has 10 years' of experience across a broad spectrum of IT dependencies, with experience in system analysis, block chain/cryptocurrencies application development and implementation, and financial technology and electronic money payment solutions. Ted holds a Bachelor of Science (Honours) in Business Management (Engineering) from Coventry University and holds Diplomas from the Hong Kong Institute of Vocation Education in Network Applications, Internet Computing and Applications and Business Information System.

Daisy (Chinese name: 梁秋洪), age 30, has held the role of Vice President, Customer Services and Operations of Regal Crown HK since March 2016. Daisy has 10 years' of experience in providing customer service support and operation management to clients in Hong Kong, China, South Korea, Japan and other Asia Pacific clients. Daisy holds a Master in Business Administration from the University of Sunderland and a Post Graduate Diploma in Business Administration (Honours) from The Society of Business Practitioners.

## **PART II. THE SUBSCRIPTION**

### **1. Background**

A total of 32,534,591 new Ordinary Shares are to be allotted pursuant to the Subscription. The gross amount of the Subscription is £2,016,999. The Company shall allot and issue fully paid to the Subscriber the Subscription Shares on the completion date (or at such other time as the parties may agree) in accordance with the terms of the Subscription Agreements. The terms of the Subscription Agreements may only be amended or varied with the agreement of all parties thereto.

In accordance with Listing Rule 14.2.2, at Admission at least 25 per cent. of the new Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules). Completion of the Subscription will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 23 March 2022.

The expenses of or incidental to the Subscription are payable by the Company and are estimated to amount to £800,000 (excluding value added tax).

The total proceeds of the Subscription expected to be raised by the Company are £2,016,999 and the net proceeds, after deduction of the expenses, are estimated at £1,216,999.

Pursuant to the Subscription, 32,534,591 Subscription Shares have been subscribed for by the Subscribers at the Issue Price, representing 30.26 per cent. of the Enlarged Share Capital. The Subscription Shares will result in the existing Ordinary Shares being diluted so as to constitute 69.74 per cent. of the Enlarged Share Capital.

### **2. Admission and Dealings**

Application has been made to the FCA for all of the Ordinary Shares to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for those Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange. It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange, at 8.00 a.m. on 23 March 2022. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a "when issued" basis, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. The above-mentioned dates and times may be changed without further notice.

In the case of Subscribers who have requested to receive new Ordinary Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 23 March 2022. In the case of Subscribers who have requested to receive new Ordinary Shares in certificated form, it is expected that share certificates will be despatched by post at the risk of the Subscriber within 10 business days of Admission.

No temporary documents of title will be issued. All documents sent by or to a Subscriber who elects to hold Ordinary Shares in certificated form, or at his or her direction, will be sent through the post at the Subscriber's risk. Pending the despatch of definitive share certificates, transfers will be certified against the register of members of the Company.

### **3. Subscription and Pricing**

All Ordinary Shares issued pursuant to the Subscription will be issued at the Issue Price which has been determined by the Directors. The Company and the Directors have ensured that the Company shall have sufficient Ordinary Shares in public hands, as defined in the Listing Rules. The Subscription is conditional only on Admission occurring on 23 March 2022 (or such later date as may be agreed by the Company). The Board has ensured that a minimum of 25 per cent. of the Enlarged Share Capital has been allocated to investors whose individual and unconnected shareholdings will each equate to less than 5 per cent. of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Each of the Subscribers agrees to subscribe for those new Ordinary Shares set out in his Subscription Agreement.

The rights attaching to the Subscription Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

#### 4. **Payment**

Each Subscriber has agreed to pay the Issue Price for his Subscription Shares as set out in the Subscription Agreements. Liability (if any) for stamp duty and stamp duty reserve tax is as described in Part V (*Taxation*) of this Prospectus.

#### 5. **Selling Restrictions**

The Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in accordance with applicable state securities laws and the securities laws of any other applicable jurisdiction. There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold solely in offshore transactions within the meaning of and in accordance with Regulation S under the Securities Act.

Certain restrictions that apply to the distribution of this Prospectus and the Ordinary Shares being issued pursuant to the Subscription in certain jurisdictions are described in the section headed Part VII (*Notices to Investors*) of this Prospectus.

#### 6. **Transferability**

The Company's Ordinary Shares, consisting of both the Ordinary Shares currently in issue and the Subscription Shares are freely transferable and tradable and there are no restrictions on transfer subject to the selling restrictions outlined in paragraph 5 (*Selling Restrictions*) above and Part VII (*Notices to Investors*) of this Prospectus.

## PART III. OPERATING AND FINANCIAL REVIEW

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the audited financial information for the Company (from incorporation) and Regal Crown HK for the periods ended 31 March 2019, 2020 and 2021. The following discussion should be read in conjunction with the other information in this Prospectus, in particular with the entire Part IV "Financial Information on the Group".*

### 1. Financial Condition

The Company was incorporated in March 2021 to become the holding company of the Group prior to seeking Admission.

Regal Crown HK is a fintech and IT services provider to SMEs located in Hong Kong and China. The turnover of Regal Crown HK in respect of the financial years ended 31 March 2019, 2020, and 2021 (including other income) amounted to, respectively, HKD8.5million, HKD11.5 million and HKD7.70 million. The profit after taxation for the financial years ended 31 March 2019, 2020, and 2021 amounted to approximately HKD0.23 million, HKD 0.95 and HKD1.16 million respectively.

The outbreak of the COVID-19 pandemic in late 2019 had a negative impact on the global economy, including Hong Kong and China. Regal Crown HK's total revenue declined between 2020 and 2021. Due to efficient management of subcontractor and local staff costs, these costs were kept down and Regal Crown HK generated a profit for the financial year ended 31 March 2021 which is a record high for the past five years.

Even though Regal Crown HK's revenue declined between 2020 and 2021, the change in the payment and spending habits in Hong Kong and the PRC contributed to the growth of Regal Crown HK's payment gateway solution services in Hong Kong and China by 200 per cent. between 2020 and 2021.

The table below is an extract with financial data from Regal Crown HK's Statement of Comprehensive Income for the three years ended 31 March 2019, 2020, and 2021.

	Years Ended 31 March		
	2019 HKD ('000)	2020 HKD ('000)	2021 HKD ('000)
<b>Monthly mPOS management and Online Payment Gateway Services</b>	2,063	750	2,340
<b>IT Software Development Services</b>	600	2,350	750
<b>IT Support Services</b>	4,710	8,189	3,363
<b>Business Support Service Income</b>	1,023	280	910
<b>Other Income</b>	146	105	376
<b>Total Revenue for the year</b>	8,542	11,674	7,739
<b>Total Comprehensive Income for the year</b>	227	994	1,509
<b>Staff Costs</b>	5,970	5,861	3,316
<b>Sub-contractor fee paid</b>	360	2,030	896
<b>Number of Customers</b>	13	14	16

Regal Crown HK increased the number of customers between the financial years ended 31 March 2019, 2020 and 2021 from 13 to 16. This is mainly due to increased demand for technical support in connection with online and offline payment gateway services and outsourcing of IT support services by customers.

Regal Crown HK also kept its staffing costs low during the financial years ended 31 March 2019, 2020, and 2021, by outsourcing most of the recurring customer services to an external services provider. Staffing costs in respect of the financial years ended 31 March 2019, 2020, and 2021 amounted to HKD5.97 million, HKD5.86 million and HKD3.31 million respectively. The external services provider switched from invoicing on a pro rata basis to a fixed cost basis for an agreed number of customers thus enabling Regal Crown HK to better control costs charged by those external service providers.

## 2. Operating Results

The following table summarizes the consolidated statements of profit or loss and other comprehensive income from Regal Crown HK's financial statements, full details of which are set out in Part IV of this Prospectus.

	Years Ended 31 March		
	2019 (HKD'000)	2020 (HKD'000)	2021 (HKD'000)
Revenue	8,396	11,569	7,363
Sub-contracting Fee Paid	(360)	(2,030)	(896)
Staff Cost	(5,970)	(5,861)	(3,316)
<b>Gross Profit</b>	<b>2,065</b>	<b>3,678</b>	<b>3,151</b>
Other Income	147	105	376
Depreciation on property, plant and equipment and right of use of assets	(874)	(888)	(809)
Other Operating expenses	(1,095)	(1,854)	(1,172)
Losses on Disposal of subsidiary	0	0	(360)
Finance charges on lease liabilities	(15)	(22)	(23)
<b>Profit before taxation</b>	<b>227</b>	<b>1,019</b>	<b>1,163</b>
Exchange Difference arise on translation	0	(25)	0
Total Comprehensive Income for the year	227	994	1,163

### Revenue

Regal Crown HK's revenue is mainly generated from (i) Payment Gateway Solutions Services (including mPOS and Online Payment Transaction Services), (ii) IT Support and Security Services (including IT project services) and (iii) Business Support Services.

The table below shows the breakdown of Regal Crown HK's revenue by operating segment for the financial years ended 31 March 2019 to 2021:

	Years Ended 31 March					
	2019 (HKD'000)		2020 (HKD'000)		2021 (HKD'000)	
		%		%		%
Payment Gateway Solution (including mPOS and Online Payment)	2,063	25%	750	6%	2,340	32%
IT Support and Security (including IT Project Services)	5,310	63%	10,539	91%	4,113	56%
Business Support Service	1,023	12%	280	2%	910	12%
Total	8,396	100%	11,569	100%	7,363	100%

### Payment Gateway Solution Services

Regal Crown HK's Payment Gateway Solutions Services generate (i) revenue earned from the monthly management of mPOS transaction services provided to the customer and (ii) revenue earned from the monthly management of Online Payment transaction services provided to the customer. For the financial years ended 31 March 2019, 2020 and 2021, Regal Crown HK's Payment Gateway Solutions Services generated revenues of HKD2.06 million, HKD0.75 million and HKD2.34 million, respectively, which represent 25 per cent., 6 per cent. and 32 per cent. of the total revenue for the relevant financial year. The significant increase between 2020 and 2021 is due to the COVID-19 pandemic as a result of people staying and working from home, which led to a significant increase in demand for electronic and touchless payments between the end users and Regal Crown HK's customers.

### IT Support and Security Services

IT support and security services involve (i) 24 hours technical offline support services (ii) cloud hosting services, (iii) cyber security review services and (iv) IT project services. The services stated in (i) to (iii) are recurring in nature whereas the services stated in (iv) are non-recurring and provided on a one-off basis.

During the relevant period, Regal Crown HK's revenue generated from IT Support and Security Services for the financial years ended 31 March 2019, 2020, and 2021 amounted to HKD5.3 million, HKD10.5 million and HKD4.1 million respectively, representing 63 per cent., 91 per cent. and 56 per cent. of its revenue during the respective years.

Following the outbreak of the COVID-19 pandemic in late 2019, which had a negative impact on the economic growth in China and Hong Kong and the lock down restrictions imposed in Hong Kong and China, most companies sought to reduce their operational costs including IT maintenance and support fees from their service providers. In addition, they deferred their CAPEX expenditure for non-recurring IT projects, and as a result Regal Crown HK suffered a significant decline in revenue between 2020 and 2021.

### **Business Support Services**

Business Support Services involve (i) providing accounting and operational support to customers and (ii) cash and banking support services.

During the relevant period, Regal Crown HK's revenue generated from Business Support Services for the financial years ended 31 March 2019, 2020, and 2021 amounted to HKD1.0 million, HKD0.28 million and HKD0.91 million respectively, representing 12 per cent., 2 per cent. and 12 per cent. of its revenue during the respective years. Regal Crown HK focused on the development of IT related services and therefore, the amount of revenue dropped significantly between 2019 and 2020.

Following the outbreak of the COVID-19 pandemic, most SMEs in Hong Kong outsourced certain services and downsized their internal staffing team. Regal Crown HK was well placed to provide business support services to help them manage their businesses.

### **Gross Profit Analysis**

The table below shows the gross profit of Regal Crown HK in respect of the financial years ended 31 March 2019, 2020 and 2021:

	<b>Years Ended 31 March</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<b>(HKD'000)</b>	<b>(HKD'000)</b>	<b>(HKD'000)</b>
Revenue	8,396	11,569	7,363
Sub-contracting Fee Paid	(360)	(2,030)	(896)
Staff Cost	(5,970)	(5,861)	(3,316)
<b>Gross Profit</b>	<b>2,065</b>	<b>3,678</b>	<b>3,151</b>
Gross Profit Ratio	25%	32%	43%

As the principal activities of Regal Crown HK involve Fintech and IT support services, a significant proportion of these services require manpower. Regal Crown HK outsources low value added, recurring or time consuming services to experienced outsourcers in Hong Kong and China.

The gross profit earned in respect of the financial years ended 31 March 2019, 2020, and 2021 amounted to HKD2.1 million, 3.7 million and 3.1 million with a gross profit ratio of 25 per cent., 32 per cent. and 43 per cent. respectively. The outsourcer is closely monitored by Regal Crown HK 's in-house IT team to ensure the quality of service is maintained.

## **PART IV. FINANCIAL INFORMATION ON THE GROUP**

1. **Audited accounts as at 31 July 2021 (RC365 Holding plc)**







































































2. **Interim condensed consolidated financial statements for the six month period ended 30 September 2021**







































































3. **Audited accounts for the financial year ended 31 March 2021 (Regal Crown Technology Limited)**





















































































4. **Audited accounts for the financial year ended 31 March 2020 (Regal Crown Technology Limited)**





















































































5. **Audited accounts for the financial year ended 31 March 2019 (Regal Crown Technology Limited)**







































































## PART V. TAXATION

### 1. UK Taxation

The following section does not constitute tax advice and is intended as a general guide only to certain UK tax considerations and is based on current law as applied in the UK and what is understood to be HM Revenue & Customs ("HMRC") published practice (which may not be binding on HMRC) as at the date of this Document. Current law and published practice are both subject to change at any time, possibly with retrospective effect.

The following section relates only to certain limited aspects of the UK tax treatment of Shareholders in connection with the acquiring, holding and disposing of Ordinary Shares in the Company and is intended to apply only, except to the extent stated below, to persons who are resident (and, if individuals, domiciled) in (and only in) the UK for tax purposes, who are the absolute beneficial owners of Ordinary Shares and the dividends on those Ordinary Shares (otherwise than through a Individual Savings Account or a Self-Invested Personal Pension) and who hold their Ordinary Shares as investments (and not as securities to be realised in the course of a trade).

The statements below may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules. The tax legislation of the Shareholder's home country may also have an impact on the income received from the Ordinary Shares.

**Any person who is in any doubt as to his or her tax position, or who is resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult his or her tax advisers.**

#### 1.1 Taxation of dividends

##### 1.1.1 *Individual Shareholders within the charge to UK income tax*

UK resident individual Shareholders may pay tax on the amount of dividend income they receive. Each individual will have an annual Dividend Allowance of £2,000, which means that they will not have to pay tax on the first £2,000 of all dividend income they receive. For these purposes "dividend income" includes UK and non-UK source dividends and certain other distributions in respect of shares.

Dividends in excess of the Dividend Allowance will be taxed at the individual's marginal rate of tax, with dividends falling within the basic rate band taxable at 7.5 per cent. (the "dividend ordinary rate"), those within the higher rate band taxable at 32.5 per cent. (the "dividend upper rate") and those within the additional rate band taxable at 38.1 per cent. (the "dividend additional rate").

Dividend income that is within the Dividend Allowance counts towards an individual's basic or higher rate limits. Such amounts therefore affect the level of savings allowance to which a UK tax resident individual Shareholder is entitled, and the rate of tax that is due on any dividend income received that exceeds the Dividend Allowance. In calculating the applicable tax band for any dividend income over the Dividend Allowance, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice of such income.

It is proposed that Dividend taxation be increased by 1.25 per cent. from 6 April 2022 as a result of a new health and social care levy introduced by the UK government.

##### 1.1.2 *Shareholders within the charge to UK corporation tax*

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009) should not generally be subject to UK corporation tax on dividends from the Company.

Shareholders that are within the charge to UK corporation tax may (subject to anti-avoidance rules) be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends paid by the Company from being chargeable to UK corporation tax which is otherwise payable at a rate of 19 per cent. (it has been announced that this main rate is intended to increase to 25 per cent. on 1<sup>st</sup> April 2023).

United Kingdom pension funds and charities are generally exempt from tax on dividends that they receive.

### 1.1.3 *Withholding tax*

Under current United Kingdom tax legislation, no tax is withheld from dividends paid by the Company to Shareholders.

## 1.2 **Taxation of chargeable gains**

### 1.2.1 *Individual Shareholders within the charge to UK income tax*

A disposal of Ordinary Shares by an individual Shareholder who is UK tax resident, or only temporarily non-UK tax resident, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the individual Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders who are UK tax resident, or only temporarily non-UK tax resident, capital gains tax at the rate of 10 per cent. for basic rate taxpayers or 20 per cent. for higher or additional rate taxpayers may be payable on any gain (after any available exemptions, reliefs or losses). Individuals may benefit from exemptions, reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances.

### 1.2.2 *Corporate Shareholders within the charge to UK corporation tax*

Where a corporate Shareholder is within the charge to UK corporation tax, including cases where it is not resident (for tax purposes) in the UK, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of corporation tax, depending on the circumstances and subject to any available exemption or relief. UK corporation tax is payable at a rate of 19 per cent. (it has been announced that this main rate is intended to increase to 25 per cent. on 1<sup>st</sup> April 2023).

## 1.3 **Inheritance tax**

Individuals and trustees who are concerned with the UK inheritance tax implications of holding Ordinary Shares should consult their own tax adviser.

## 1.4 **UK Stamp duty and stamp duty reserve tax**

The statements below (which apply whether a Shareholder is resident or domiciled in the UK or not) summarise the current position and are intended as a general guide only to stamp duty and SDRT.

In relation to stamp duty and SDRT:

- The allocation and issue of the new Ordinary Shares will not give rise to a liability to stamp duty or SDRT;
- Any subsequent conveyance or transfer on sale of shares will usually be subject to stamp duty on the instrument of transfer at a rate of 0.5 per cent. of the amount or value of the consideration (rounded up, if necessary, to the nearest £5);
- An exemption from stamp duty is available on an instrument transferring shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the transaction exceeds £1,000;
- A charge to SDRT at the rate of 0.5 per cent. will arise in relation to an unconditional agreement to transfer such shares. However, where within six years of the date of the agreement (or, if the agreement was conditional, the date the agreement became unconditional) an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid; and
- A transfer of shares effected on a paperless basis through CREST (where there is a change in the beneficial ownership of the shares) will generally be subject to SDRT at the rate of 0.5 per cent. of the value of the consideration given.

It is the purchaser who is in general liable to account for stamp duty or SDRT.

Certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account

for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

**This summary of UK taxation issues can only provide a general overview of these areas and it is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his tax position or where he is resident, or otherwise subject to taxation should consult his professional adviser.**

## **2. Hong Kong Tax Aspects**

The following paragraphs are intended only as a general guide to current Hong Kong law and the Inland Revenue Department's current published practice in relation to taxation, which are both subject to change at any time, possibly with retroactive effect. Furthermore, the following paragraphs are not exhaustive and relate only to certain limited aspects of the Hong Kong tax consequences of holding, purchasing and disposing of the Ordinary Shares.

The material set out in the paragraphs below does not constitute tax advice. Any person who is in any doubt as to their tax position or who is subject to tax in a jurisdiction other than Hong Kong should consult an appropriate professional adviser.

### **2.1 Tax on dividends**

No tax is payable in Hong Kong in respect of dividends paid by the Company.

### **2.2 Profits tax**

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on trade, profession or business in Hong Kong and holdings the Ordinary Shares for trading purposes) on any capital gains made on the sale or other disposal of the Ordinary Shares. Trading gains from the sale of Ordinary Shares by persons carrying on a trade, profession or business in Hong Kong will only be chargeable to Hong Kong profits tax where such gains are derived from or arise in Hong Kong from such trade, profession or business. Current Hong Kong Inland Revenue Department guidance provides that gains from sales of Ordinary Shares listed on the London Stock Exchange will be considered by the Inland Revenue Department not to be derived from or arise in Hong Kong. Shareholders should take advice from their own professional advisers as to their particular tax position.

### **2.3 Stamp duty**

No Hong Kong stamp duty is chargeable on any sale and purpose of Ordinary Shares.

### **2.4 Estate duty**

Hong Kong estate duty was abolished effective from 11 February 2006. No Hong Kong estate duty is payable by Shareholders in relation to the Ordinary Shares owned by them upon death.

## PART VI. GENERAL INFORMATION

### 1. Responsibilities

The Company and its Directors whose names appear on page 33 of this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and its Directors, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### 2. The Company

2.1 The Company was incorporated as a private limited company called RC365 Holding Limited under the Act on 24 March 2021 with registered number 13289422. On 22 September 2021 it re-registered as a public limited company and accordingly changed its name to RC365 Holding plc.

2.2 The Company is domiciled in the UK and its current registered office is Cannon Place, 78 Cannon Street, London, United Kingdom, EC4N 6AF. The Company's legal entity identifier (LEI) is 213800LQJTQSFR2XY322, its ISIN is GB00BMG8BL95, its website address is www.rc365plc.com and its telephone numbers are +44 20 8123 5806 and +852 2251 1621.

2.3 On 31 August 2021, the Company acquired the entire issued share capital of Regal Crown HK, pursuant to an Intragroup Reorganisation as more particularly described in paragraph 2.4. Regal Crown HK was incorporated and registered in Hong Kong on 25 February 2013 with registered number 1865866. Regal Crown HK is a fintech solutions service provider.

2.4 Prior to 31 August 2021, the Company and Regal Crown HK were wholly owned by Mr. Chi Kit LAW. On 31 August 2021:

- (i) Mr. Chi Kit LAW sold his one ordinary share of £1 nominal value to a company wholly owned by him, L Y S Limited, a company incorporated in the BVI with company number 2073392, having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands ("**LYS Limited**");
- (ii) the one ordinary share of £1 nominal value in the Company's share capital was subdivided into 100 Ordinary Shares of £0.01 each in the share capital of the Company;
- (iii) Mr. Chi Kit LAW transferred the entire issue share capital of Regal Crown HK to the Company and, by way of consideration, the Company allotted and issued 74,999,900 Ordinary Shares of £0.01 each to LYS Limited,  
(the "**Intragroup Reorganisation**").

2.5 Historically, Regal Crown HK wholly owned Regal Crown Technology (Singapore) Pte. Limited, a company incorporated in the Republic of Singapore. On 11 November 2020, Regal Crown HK disposed of the entire issued share capital of Regal Crown Technology (Singapore) Pte. Limited to a third party.

2.6 The principal legislation under which the Company operates and under which the Ordinary Shares were created is the Companies Act and the regulations made thereunder. The Company operates in conformity with its constitution. The Company is subject to the Listing Rules and the Disclosure and Transparency Rules (and the resulting jurisdiction of the FCA) to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

2.7 The Ordinary Shares have been and will be duly authorised according to the requirements of the Company's constitution and have and will have all the necessary statutory and other consents. The currency of the Ordinary Shares is British pound sterling. All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register.

### 3. Articles of association of the Company

Pursuant to section 31 of the Companies Act, the Company has unrestricted objects. Set out below is a summary of the provisions of the Articles that will apply with effect from Admission. A copy of the Articles is available for inspection at the address specified in paragraph 35 of this Part VI of this Prospectus.

### 3.1 **Share capital**

- 3.1.1 The Company's share capital currently consists of Ordinary Shares. The liability of the members of the Company is limited to the amount, if any, unpaid on the Ordinary Shares held by them. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution or as the Board shall determine, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.
- 3.1.2 Subject to Companies Act, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares in issue may (unless otherwise provided by the terms of issue of the shares of that class) from time to time be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise).

### 3.2 **Voting**

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him.

### 3.3 **Dividends**

- 3.3.1 The Company may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors.
- 3.3.2 Subject to the provisions of the Companies Act insofar as, in the Directors' opinion, the Company's profits justify such payments, the Directors may pay interim dividends on any class of shares except for shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 3.3.3 Any dividend, unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Directors resolve, be forfeited and revert to the Company. The Company does not pay interest on any dividend unless otherwise provided by the terms on which the shares were issued or the provision of another agreement.

### 3.4 **Transfer of Ordinary Shares**

- 3.4.1 Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules.
- 3.4.2 Subject to the applicable statutes (including the Act and the CREST Regulations), the Board may, in its absolute discretion, refuse to register a transfer of shares in the following circumstances:
- (a) in the case of shares held in certificated form, where such share is not fully paid or on which the Company has a lien provided that, where any such shares are admitted to the Official List, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis;
  - (b) in the case of shares held in certificated form, if it is not lodged, duly stamped (if necessary), at the registered office or at such other place as the Board may appoint and accompanied by the certificate for the shares to which it relates (where a certificate has been issued in respect of the shares and the Company's articles of association do not provide for such a transfer to be valid without production of the certificate) or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (c) if it is not in respect of one class of share only;
  - (d) if it is not in favour of four or fewer transferees;

- (e) if it is in favour of a minor, bankrupt or person of mental ill health;
- (f) without prejudice to the foregoing, in the case of shares held in uncertificated form, in any other circumstances permitted by the CREST Regulations or the system's rules; or
- (g) where the Board is obliged or entitled to refuse to do so as a result of any failure to comply with a notice under section 793 of the Act.

### 3.5 Allotment of shares and pre-emption rights

- 3.5.1 Subject to the Companies Act and the Articles and in accordance with section 551 of the Companies Act, the Directors shall be generally and unconditionally authorised to exercise for each prescribed period, all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant special resolution passed pursuant to section 561 of the Companies Act, authorising such allotment.
- 3.5.2 Under and within the terms of the said authority or otherwise in accordance with section 570 of the Companies Act, the Directors shall be empowered during each prescribed period to allot equity securities (as defined in the Companies Act):
  - (a) in accordance with a rights issue;
  - (b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the amount stated in the relevant ordinary or special resolution passed pursuant to section 551 of the Companies Act, authorising such allotment.

### 3.6 Directors

- 3.6.1 Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall not be less than two, but there shall be no maximum number of Directors.
- 3.6.2 Subject to the Articles and the Companies Act, the Company may by ordinary resolution appoint a person who is willing to act as a Director and the Board shall have power at any time to appoint any person who is willing to act as a Director, in both cases either to fill a vacancy or as an addition to the existing Board.
- 3.6.3 At the third annual general meeting all Directors shall retire from office and may offer themselves for re-appointment by the Shareholders by ordinary resolution.
- 3.6.4 At every subsequent annual general meeting any director who:
  - (a) has been appointed by the Directors since the last annual general meeting; or
  - (b) was not appointed or re-appointed at one of the preceding two annual general meetings;
 must retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.
- 3.6.5 Subject to the provisions of the Articles, the Board, which may exercise all the powers of the Company, may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors.
- 3.6.6 The quorum for a Directors' meeting shall be fixed from time to time by a decision of the Directors, but it must never be less than two and unless otherwise fixed, it is two.
- 3.6.7 Questions arising at a meeting shall be decided by a majority of votes of the participating Directors, with each participating Director having one vote. In the case of an equality of votes the chairman shall have a second or casting vote.
- 3.6.8 The Directors shall be entitled to receive such remuneration as the Directors shall determine for their services to the Company as directors and for any other service which they undertake for the Company provided that the aggregate fees payable to the Directors must not exceed such amount as may from time to time be decided by ordinary resolution of the Company. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of Shareholders or class meetings, board or committee meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.



- 3.6.9 The Board may, in accordance with the requirements in the Articles, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under the Companies Act to avoid conflicts of interests.
- 3.6.10 A Director seeking authorisation in respect of such conflict shall declare to the Board the nature and extent of his interest in a conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict together with such additional information as may be requested by the Board.
- 3.6.11 Any authorisation by the Board will be effective only if:
- (a) to the extent permitted by the Companies Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of the Articles;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted Director and any other conflicted Director; and
  - (c) the matter is agreed to without the conflicted Director voting or would be agreed to if the conflicted Director's and any other interested Director's vote is not counted.

### 3.7 **General meetings**

- 3.7.1 The Company must convene and hold annual general meetings in accordance with the Companies Act.
- 3.7.2 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

### 3.8 **Borrowing powers**

Subject to the Articles and the Companies Act, the Board may exercise all of the powers of the Company to:

- 3.8.1 borrow money;
- 3.8.2 indemnify and guarantee;
- 3.8.3 mortgage or charge;
- 3.8.4 create and issue debentures and other securities; and
- 3.8.5 give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### 3.9 **Capitalisation of profits**

The Directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The Directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

### 3.10 **Uncertificated shares**

- 3.10.1 Subject to the Companies Act, the Directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a relevant system without a certificate.
- 3.10.2 The Directors may take such steps as it sees fit in relation to the evidencing of and transfer of title to uncertificated shares, any records relating to the holding of uncertificated shares and the conversion of uncertificated shares to certificated shares, or vice-versa.

- 3.10.3 The Company may by notice to the holder of an uncertificated share, require that share to be converted into certificated form.
- 3.10.4 The Board may take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

### 3.11 Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide among the Shareholders in specie any whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division should be carried out as between the Shareholders or different classes of Shareholder. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

## 4. Share Capital

4.1 The Company has a single class of shares, namely Ordinary Shares. As at 10 March 2022, being the latest practicable date prior to the publication of this Prospectus, the Company had an issued share capital of 75,000,000 Ordinary Shares of £0.01 each, fully paid up.

4.2 The history of the Company's share capital is as follows:

Date	Event
24 March 2021	Incorporation with one ordinary share of £1 (fully paid up)
31 August 2021	Transfer of one share of £1 by Chi Kit LAW to LYS Limited
31 August 2021	Subdivision of the one ordinary share of £1 in the share capital of the Company into 100 Ordinary Shares of £0.01 each in the share capital of the Company
31 August 2021	Acquisition of Regal Crown HK and issue of 74,999,900 Ordinary Shares of £0.01 each in the share capital of the Company (fully paid up)

4.3 The issued and fully paid shares of the Company immediately following Admission is anticipated to be as shown in the following table:

Class	Issued (Fully Paid) Number	Nominal Value Per Share
Ordinary Shares	107,534,591	£0.01

4.4 The Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with other Ordinary Shares in issue on Admission. The Ordinary Shares are duly authorised and all statutory consents and other consents in respect of the issue of the Ordinary Shares.

4.5 Except as stated in this paragraph 4 ("**Share Capital**") :

- 4.5.1 the Company does not have in issue any securities not representing share capital;
- 4.5.2 there are no outstanding convertible securities issued by the Company;
- 4.5.3 no person has any preferential subscription rights for any share capital of the Company; and
- 4.5.4 no share or loan capital of the Company is currently under option or agreed conditionally or unconditionally to be put under option.

4.6 Pursuant to ordinary and special resolutions passed on 31 August 2021, the Company resolved:

- 4.6.1 that the one ordinary share of £1 in the share capital of the Company be sub-divided into 100 ordinary shares of £0.01 each in the share capital of the Company, having the rights set out in the Articles;
- 4.6.2 that, subject to the passing of the resolution set out in paragraph 4.6.1, the sole director of the Company (for the purposes of section 551 of the Act) be generally and unconditionally authorised to allot and issue shares up to an aggregate amount of 74,999,900 ordinary shares of £0.01 each in the share capital of the Company, provided that the authority shall, unless renewed, varied, or revoked by the Company, expire five years from the date of passing of the resolution; and

- 4.6.3 that, subject to the passing of the resolution set out in paragraph 4.6.1, and in accordance with article 8 of the Articles, the sole director of the Company be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by the resolution set out in paragraph 4.6.2 to the benefit of any person including persons who are not shareholders of the Company, as if such article 8 did not apply to any such allotment.
- 4.7 Pursuant to ordinary and special resolutions passed on 9 March 2022, the Company resolved:
- 4.7.1 that, the Directors (or a duly constituted committee of the Directors) be generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise all the powers of the Company to allot in aggregate:
- (1) new Ordinary Shares in the capital of the Company or to grant rights to subscribe for or to convert any security into Ordinary Shares up to a maximum aggregate nominal amount of £325,345.91 for the purposes of allotting the new Ordinary Shares;
  - (2) otherwise and in addition to the authorities provided above, allot shares in the capital of the Company or to grant rights to subscribe for or to convert any security into shares in the capital of the Company up to an aggregate nominal amount equal to one-third of the entire issued Ordinary Share capital of the Company as at Admission (whether in connection with the same offer or issue under (3) below or otherwise); and
  - (3) otherwise and in addition to the authorities provided above, allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the capital of the Company up to a further aggregate nominal amount equal to one-third of the entire issued Ordinary Share capital of the Company as at Admission in the form of equity securities (within the meaning of section 560(1) of the Companies Act) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of Ordinary Shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of Ordinary Shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever,
- in each case such authority to expire, unless previously varied, revoked or renewed by the Company in general meeting, 15 months after the date of the passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, except that the Company may at any time before such expiry, revocation or variation make any offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by the resolution had not expired, been revoked or varied;
- 4.7.2 that, subject to the passing of the resolution set out in paragraph 4.7.1 above, the Directors (or a duly constituted committee of the Directors) be empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the authority conferred on them by the resolution set out in paragraph 4.7.1 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act, in each case as if section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this power shall be limited to:
- (1) any such allotment in connection with the new Ordinary Shares under paragraph 4.7.1 (1) above;
  - (2) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance

for a period fixed by the Directors, to holders of Ordinary Shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of Ordinary Shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- (3) any such allotment and/or sale, otherwise than pursuant to sub-paragraphs (1) - (2) above, of equity securities having, in the case of Ordinary Shares, an aggregate nominal amount or, in the case of other equity securities, giving the right to subscribe or convert into Ordinary Shares having an aggregate nominal amount not exceeding five per cent. of the entire issued Ordinary Share capital of the Company as at Admission,

in each case such authority to expire, unless previously varied, revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by the resolution set out in paragraph 4.7.1 above expires, except that the Company may at any time before such expiry, revocation or variation make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry, revocation or variation and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the authority conferred by the resolution had not expired, been revoked or varied.

- 4.7.3 that, subject to the passing of the resolution set out in paragraph 4.7.1 above, and in addition to any authority granted under resolution set out in paragraph 4.7.2 above, the Directors (or a duly constituted committee of the Directors) be empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the general authority conferred on them by the resolution set out in paragraph 4.7.1 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act, in each case as if section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this power shall be:

- (1) limited to any such allotment and/or sale of equity securities having, in the case of Ordinary Shares, an aggregate nominal amount or, in the case of other equity securities, giving the right to subscribe or convert into Ordinary Shares having an aggregate nominal amount not exceeding five per cent. of the entire issued Ordinary Share capital of the Company as at Admission; and
- (2) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this resolution,

in each case such authority to expire, unless previously varied, revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by the resolution set out in paragraph 4.7.1 above expires, except that the Company may at any time before such expiry, revocation or variation make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry, revocation or variation and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired, been revoked or varied.

## 5. Significant Shareholders

- 5.1 Save for the interests of the Directors, which are set out in paragraph 6 below, as at the date of

this Prospectus, the Directors are aware of the following persons who, directly or indirectly, have an interest in Ordinary Shares which, following Admission, will represent 3 per cent. or more of the Company's share capital:

Shareholder	Interest as at the date of this Prospectus		Interest immediately following Admission	
	Number of Ordinary Shares	% of total issued share capital	Number of Ordinary Shares.	% of total issued share capital
LYS Limited <sup>(1)</sup>	75,000,000	100%	75,000,000	69.74%
MacKay Preston Glen Kimpton	0	0%	4,839,057	4.50%
Tunkamack Limited	0	0%	4,839,057	4.50%
Central Worldwide (Hong Kong) Limited	0	0%	4,839,057	4.50%
S.E.M. Distribution Limited	0	0%	3,763,711	3.50%

(1) LYS Limited is a company incorporated in the BVI which is wholly owned directly by Mr. Chi Kit LAW. Mr. LAW is an Executive Director of the Company and Chief Executive Officer.

- 5.2 Except for the holdings of the Directors and their connected parties, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 5.3 Any person who is directly or indirectly interested in 3 per cent. or more of the Company's issued share capital, is required to notify such interest to the Company in accordance with the provisions of chapter 5 of the Disclosure Rules, any such interest will be notified by the Company to the public.
- 5.4 Those interested, directly or indirectly in 3 per cent. or more of the issued share capital of the Company do not now, and, following the Admission, will not, have different Voting Rights from other holders of Ordinary Shares.

## 6. Directors' and Others' Interests

The interests of each Director and Senior Manager, together with those connected with the Directors or Senior Managers (within the meaning of section 252 of the Act) all of which are beneficial, in the share capital of the Company are as follows:

	Interest immediately prior to Admission		Interest immediately following Admission	
	No.	% of total issued share capital	No.	% of total issued share capital
<i>Directors and their Connected Persons</i>				
LYS Limited (wholly owned by Chi Kit LAW)	75,000,000	100%	75,000,000	69.74%
Other Directors	-	-	-	-
<i>Senior Managers and their Connected Persons</i>				
-	-	-	-	-

## 7. Further Disclosures on the Directors and Senior Managers

- 7.1 Set out below are the directorships and partnerships held by the Directors, and Senior Managers (other than, where applicable, directorships held in the Company and its subsidiaries and the subsidiaries of the companies listed below), in the five years prior to the date of this Prospectus:

Name	Current directorships or partnership	Past directorships and partnerships
Chi Kit LAW	Gallant Horse Global Finance Limited RCGH Cruises Services Limited RCPAY Limited RCPAY Limited (in the UK)	Chong Ding Holdings Limited
Hon Keung CHEUNG	G&M Project Services Limited Happy Glorious Travel Limited Travelight International Co Limited	Come Star International Limited (dissolved) Ever Prosper (Asia) Limited Fortune Wisser Limited (dissolved) Global Flair Company Limited (dissolved) I Dream Limited (dissolved) Sky Creative Development Limited (dissolved)

<b>Name</b>	<b>Current directorships or partnership</b>	<b>Past directorships and partnerships</b>
Kwai Wah Sunny NG	Davisons Real Estate Development Limited Davisons Consulting Limited Mng International Limited Runde Holdings Limited Times Universal Group Holdings Limited	Minetain Holdings Limited (dissolved) Simply Tea Limited (dissolved) Grand Peace Group Holdings Limited
Robert Cairns	United London Services Limited (in the UK) United Time Services Limited (in the UK) Ambassadeurs Group Limited (in the UK) Les Ambassadeurs Online Limited (in the UK) Les Ambassadeurs Club Limited (in the UK)	Gilbert Scott (Whitelands) Management Limited (in the UK) Twinwood Limited (in the UK) Whitelands Park Estate Management Limited (in the UK) Elpha Tech Ltd (in the UK) Delthar Holdings Ltd (in the UK) Charriyee Tech Ltd (in the UK) Baeythar Holdings Ltd (in the UK) Hamilton London Services Limited (in the UK)
Ajay Rajpal	NAS Corporate Services Ltd (in the UK) Brookmans Park Roads Ltd (in the UK) Zibao Metals Recycling Holdings Plc (renamed Phimedix Plc) (in the UK) MEC Asian Fund Simian Global Plc (renamed Grand Vision Media Holdings Plc) (in the UK) Stormont School (in the UK) Cyber Lion Limited Dozens Savings Plc (in the UK) 8i Acquisition 2 Corp	Charmforce Limited (dissolved) (in the UK) MNC Strategic Investments Plc (dissolved) (in the UK) Early Equity Plc (in the UK) Moxian Inc New Trend Lifestyle Group Plc (renamed Conduity Capital Plc) (in the UK) 8i Acquisition Corp
Wai Yiu TANG (Timothy)	None	None
Ching Tat LEE (Ted)	None	Reliance Exchange Company Limited
Qiu hong LIANG (Daisy)	Radiance Accomplish Limited RCGH Cruises Services Limited	None

7.2 Within the period of five years prior to the date of the Prospectus, none of the Directors or Senior Managers:

7.2.1 has had any convictions in relation to fraudulent offences;

7.2.2 has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of any company; or

7.2.3 had any public criticism against him by statutory or regulatory authority; and

7.2.4 has been declared bankrupt or has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of or within a 12 month period preceding any bankruptcy, receivership, liquidation or entry into administration of such company, save as disclosed at paragraph 7.1 above.

7.3 Each of the Directors has a statutory duty under the Act to avoid conflicts of interest with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles, and as permitted by the Act, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation (in the UK) such conditions and/or restrictions as the Board deem appropriate (including in respect of the receipt of information or restrictions on participation at certain Board meetings), in accordance with the Articles. Other than in respect of Chi Kit, there are no potential conflicts of interest between any duties owed by the Directors or Senior Managers to the Company and their private interests or other duties.

## 8. Lock-in Deed

Pursuant to a lock-in deed dated 11 March 2022, LYS Limited has undertaken not to dispose of the majority of the shares in the share capital of the Company for a period of 12 months from Admission, except in certain limited circumstances including in the event of a takeover offer, and for a period of 24 months from

Admission, to only sell any of its shares through the Company's then corporate brokers and in such a manner as such broker may reasonably require in order to maintain an orderly market. Further details of the lock-in deed are set out in paragraph 22 below.

## 9. **Dividend Policy**

The nature of the Group's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders. The Company may recommend distributions at some future date when it becomes commercially prudent to do so, having regard to the availability of the Company's distributable profits and the retention of funds required to finance future growth.

## 10. **Shareholder Loans**

As of the date of this Prospectus, there are no outstanding shareholder loans to or from the Company.

## 11. **Board Committees**

11.1 The Board has established an audit committee and a remuneration committee and delegated various responsibilities to these committees, to assist the Board in discharging its duties and overseeing its duties and aspects of the Company and Regal Crown HK's activities.

### 11.2 Audit Committee

11.2.1 The audit committee, operating in accordance with its terms of reference, will in particular will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on.

11.2.2 It will receive and review reports from the Company and/or Regal Crown HK's management and auditor relating to the interim and annual accounts and the accounting and internal control system in use throughout the Group.

11.2.3 The audit committee will be responsible for keeping under review the scope and results of the audit, its cost effectiveness and independence and objectivity of the auditors. It will also have responsibility for public reporting and internal controls and arrangements whereby employees may raise matters of concern in confidence. At Admission the audit committee will be chaired by Mr. Robert Cairns and its other member will be Mr. Ajay Rajpal.

### 11.3 Remuneration Committee

11.3.1 The remuneration committee, operating in accordance with its terms of reference, will in particular review executive Directors' and other senior management remuneration, the issuance of options to subscribe for new Ordinary Shares at such time that the Company has put a share option scheme in place, any other incentive schemes and bonuses and any other components of their remuneration, taking into account amongst other factors their individual contribution to the overall performance of the Company and/or Regal Crown HK.

11.3.2 No Director will be involved in decisions as to his or her own remuneration or bonuses.

11.3.3 At Admission, the remuneration committee will be chaired by Mr. Kwai Wah Sunny NG and its other member will be Mr. Ajay Rajpal.

## 12. **Administrative, Management and Supervisory Bodies and Senior Management Conflicts of Interests**

Subject to the disclosures set out in paragraph 23 below, upon due and careful inquiry, neither the Directors nor the Company is aware of any conflicts or potential conflicts of interest between any duties to the Company of any member of the Company's administrative, management or supervisory bodies and senior management and those individuals' private interests and/or other duties.

## 13. **Terms of Employment and engagement for Directors of the Company**

### 13.1 Executive Directors

(i) Chi Kit LAW and Hon Keung CHEUNG have been employed by Regal Crown HK since 1

July 2013 and 29 October 2018 respectively.

- (ii) Chi Kit LAW and Hon Keung CHEUNG are entitled to basic salaries of HKD2.76million and HKD300,000, respectively, per annum.
- (iii) Chi Kit LAW is also entitled to a rent free flat provided by Regal Crown HK, which is leased by Regal Crown HK with a current budgeted monthly rental amount of HKD70,000. Chi Kit LAW is also entitled to a discretionary bonus by reference to the Group's performance and determined by the Remuneration Committee.
- (iv) Hon Keung CHEUNG is not entitled to any additional allowances and does not participate in any bonus scheme.
- (v) Chi Kit LAW may terminate his employment by giving six months' written notice or one month's salary in lieu of notice. Hon Keung CHEUNG may terminate his employment by giving three months' written notice or one month's salary in lieu of notice.
- (vi) Chi Kit LAW was appointed as Director of the Company on 24 March 2021. Hon Keung CHEUNG was appointed as Director of the Company on 15 September 2021.

### 13.2 Non-Executive Directors

- (i) Each of the Non-Executive Directors has been appointed as Non-Executive Director by the Company pursuant to letters of appointment, reflecting their responsibilities and commitments, such letters of appointment to take effect at signing, to the extent that Admission occurs by the agreed date, for an initial term of three years, subject to termination by either party on three months' prior written notice.
- (ii) Any term renewal after the initial term is subject to Board review and re-election at the next annual general meeting of the Company.
- (iii) Pursuant to each letter of appointment, the Company may terminate the appointment of a Non-Executive Director with immediate effect in certain circumstances, including in the event of a material breach or serious or repeated breach of his obligations under his letter of appointment.
- (iv) On termination of his appointment, the Non-Executive Director shall be required to resign from his office as Non-Executive Director (and any offices held in Company group companies) and shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement of any expenses properly incurred before that date.

## 14. Remuneration and benefits

14.1 The remuneration and benefits of each Director of the Company is NIL for the financial year ended 31 March 2021.

14.2 The remuneration and benefits of each director and senior manager of Regal Crown HK are as follows for the financial year ended 31 March 2021:

	Salary HKD	Housing Benefit HKD	Total HKD
<i>Executive Director</i>			
Chi Kit LAW	1,770,000	828,000	2,598,000
Hon Keung CHEUNG	300,000	0	300,000
<i>Senior Management</i>			
Qiu hong LIANG	182,400	177,600	360,000
Ching Tat LEE	299,354	0	299,354
Wai Yiu TANG	120,000	0	120,000

## 15. Employees

As at the date of this Prospectus, the Company has no employees and Regal Crown HK has 10 employees.



## 16. Pension arrangements

Regal Crown HK operates a defined contribution pension scheme (Mandatory Provident Fund) which is managed by the Hang Seng Bank under the scheme Hang Seng MPF SuperTrust Plus. The total amount set aside or accrued was HKD153,280 as of 31 March 2021.

## 17. Property

- 17.1 Freehold - As of the date of this Prospectus, no member of the Group owns any freehold properties.
- 17.2 Leasehold - As of the date of this Prospectus, Regal Crown HK occupies leased offices at Level 19, Two International Finance Centre, 8 Finance Street, Central, Hong Kong and has leased a flat for the use of Chi Kit LAW. No member of the Group leases any other property.

## 18. Intellectual Property Rights

The Company and/or Regal Crown HK are not currently aware of any intellectual property rights or patents which are or may be of material importance to the business or profitability of the Company and/or Regal Crown HK, nor does the Company/Regal Crown HK expect any such intellectual property rights and patents to exist within 12 months from the date of this Prospectus.

## 19. Subsidiaries

As at the date of Admission, the Company's sole subsidiary undertaking will be Regal Crown HK.

## 20. Statutory Auditor

The auditor of the Company is Moore Kingston Smith LLP whose registered address is Devonshire House, 60 Goswell Road, London, EC1M 7AD. Moore Kingston Smith LLP was appointed auditor of the Company on 15 September 2021. Moore Kingston Smith LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

The auditor of Regal Crown HK is Grant Thornton Hong Kong Limited whose registered address is 11th Floor, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong SAR. Grant Thornton Hong Kong Limited is registered to carry out audit work by the Hong Kong Institute of Certified Public Accountants. During the financial year ended 31 March 2019, the auditor of Regal Crown HK was initially William Lee, Paul Tang & Co, certified public accountants in Hong Kong whose registered office address is Room 405 Tung Ning Building, 249-253 Des Voeux Road Central, Sheung Wan, Hong Kong.

## 21. Dilution of Ordinary Share Capital

The Subscription and Admission will result in the existing Ordinary Shares in issue immediately prior to Admission being diluted so as to constitute approximately 69.74 per cent. of the Enlarged Share Capital.

## 22. Material Contracts

- 22.1 Set out below is a summary of each contract (not being contracts entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the date of this Prospectus and which are or may be material to the Group; or which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

### 22.2 Company material contracts

#### 22.2.1 Subscription Agreements

Pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for the Subscription Shares at the Issue Price and the Company shall allot and issue fully paid to the Subscriber the Subscription Shares on the completion date (or at such other time as the parties may agree). The Subscription Agreements contain certain representations, warranties and covenants given by the Company and Mr Chi Kit LAW.

#### 22.2.2 Relationship Agreement

The Company, LYS Limited and Chi Kit LAW entered into a relationship agreement on 11 March 2022, to regulate the relationship between the Group, LYS Limited and

Mr. LAW after Admission. The Relationship Agreement will take effect on Admission and will be binding until LYS Limited and/or its affiliates cease, directly or indirectly, to exercise control over at least 30 per cent. of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the Relationship Agreement, LYS Limited and Mr. LAW undertake, amongst other things, that they will (and, in relation to their affiliates, will procure, insofar as is within their power or control to procure, that each of their affiliates will): (i) conduct all transactions, agreements, relationships and arrangements with the Group on an arm's length basis and on normal commercial terms; (ii) not take any action that would have the effect of preventing the Company from carrying on business independently of LYS Limited and its affiliates; (iii) not propose or procure the proposal of a resolution of the shareholders of the Company which is intended or appears to be intended to circumvent the proper application of the Listing Rules; (iv) not exercise the voting rights in respect of any resolution relating to a transaction, agreement or arrangement with or relating to LYS Limited or its affiliates or exercise voting rights to procure or seek to procure any amendment to the Articles that would be inconsistent with the provisions of the Relationship Agreement.

The Relationship Agreement is governed by English law.

#### 22.2.3 Lock-in Deed

The Company, LYS Limited and Chi Kit LAW entered into a Lock-in Deed on 11 March 2022. Pursuant to the terms of the Lock-in Deed, LYS Limited has agreed not to dispose of any interest in 64,520,754 Ordinary Shares (representing approximately 60 per cent. of the Enlarged Share Capital) for one year from the date of Admission, except in certain limited customary circumstances (including the acceptance of a general offer for the Company, transfers pursuant to a court order or to a connected person or made with the prior consent of the Company's then broker and the LSE), and, in respect of the totality of LYS Limited's shareholding on Admission (representing approximately 69.74 per cent. of the Enlarged Shared Capital) for an aggregate period of 24 months following Admission, only to dispose of an interest in Ordinary Shares through the Company's then corporate broker and provided such disposal is effected in such manner as such corporate broker may reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

The Lock-in Deed is governed by English law.

22.2.4 The Company entered into a sale and purchase agreement dated 31 August 2021 with Mr. Chi Kit LAW in relation to the Intragroup Reorganisation. Under this agreement, Mr. Chi Kit LAW transferred the entire issue share capital of Regal Crown HK to the Company and, by way of consideration, the Company allotted and issued 74,999,900 Ordinary Shares of £0.01 each to LYS Limited. This agreement is governed by Hong Kong law.

#### 22.3 Regal Crown HK material contracts

22.3.1 On 11 November 2020 Regal Crown HK agreed to sell to a third party 100,000 shares of Regal Crown Technology (Singapore) Pte. Limited, representing the entire share capital of Regal Crown Technology (Singapore) Pte. Limited, for a consideration of SGD1 (increased to SGD60,000 on 31 March 2021 to reflect the finally determined assets in that company).

22.3.2 Mr. Chi Kit LAW loaned certain sums to Regal Crown HK by way of a loan and deferment of salary over a number of years. On 22 March 2021, Mr. Chi Kit LAW and Regal Crown HK entered into a capitalisation agreement under which the aggregate amount then outstanding, being HKD10,300,000, was capitalised into 10,300,000 ordinary shares in Regal Crown HK and the loan was extinguished.

22.3.3 Regal Crown HK entered into a loan agreement for a HKD5.8 million loan from the Bank of East Asia Limited on 22 July 2021 under the "Special 100 per cent. Loan Guarantee" pursuant to a SME Financing Guarantee Scheme Application, with a personal guarantee from the sole director of Regal Crown HK, Mr. Chi Kit LAW. Under the current loan repayment schedule, the loan (principal and interest) is repayable in monthly instalments starting August 2021 until July 2029 inclusive.

## 23. **Related Party Transactions and Conflicts of Interest**

The Company's related-party transactions are enumerated in the reporting accountant's report on the Company's historical financial information and the unaudited interim consolidated financial statements for the six month period ended 30 September 2021 set out in Part IV of this Prospectus.

The Company and/or Regal Crown HK are not party to any related party transactions which are not disclosed in the accounts/audit report.

Chi Kit LAW, an Executive Director of the Company and Chief Executive Officer, directly and/or indirectly owns or controls a majority of the Enlarged Share Capital. In particular, Mr. LAW and his connected parties are expected to own or control 69.74 per cent. of the Enlarged Share Capital on Admission. Mr. LAW entered into a Lock-in Deed and a Relationship Agreement with the Company and LYS Limited, details of which are set out in paragraph 22 above.

## 24. **Admission to Trading, Settlement and Dealing Arrangements**

24.1 Application has been made to the FCA for all of the Ordinary Shares to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for those Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange. It is expected that dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 23 March 2022. The earliest date for settlement of such dealings will be 23 March 2022. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a "when issued" basis, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. The above-mentioned dates and times may be changed without further notice.

24.2 The Ordinary Shares will be in registered form and will be eligible for settlement through CREST.

24.3 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles contain provisions concerning the holding and transfer of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

24.4 In the case of Subscribers who have requested to receive new Ordinary Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 23 March 2022. In the case of Subscribers who have requested to receive new Ordinary Shares in certificated form, it is expected that share certificates will be despatched by post at the risk of the Subscriber within 10 business days of Admission.

24.5 No temporary documents of title will be issued. All documents sent by or to a Subscriber who elects to hold Ordinary Shares in certificated form, or at his or her direction, will be sent through the post at the Subscriber's risk. Pending the despatch of definitive share certificates, transfers will be certified against the register of members of the Company.

## 25. **Corporate Governance**

As a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code. The Directors have decided to voluntarily adopt and comply with the QCA Corporate Governance Code (the "**QCA Code**") to the extent practicable for the size, stage of development and operations of the Group at the relevant time or any other corporate governance regime adopted by the Board from time to time.

## 26. **Share Dealing Code**

As at the date of this Prospectus, the Directors have voluntarily adopted a share dealing code (the "**Share Dealing Code**") compliant with the European Union's Market Abuse Regulation (Regulation 596/2014) as it forms part of UK retained legislation. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Share Dealing Code by persons discharging managerial responsibility

## 27. **Takeover Code, Mandatory Bids, Squeeze Out and Sell-Out Rules**

The Takeover Code, which is issued and administered by the Takeover Panel, applies to the Company.

### 27.1 **Mandatory bids**

- 27.1.1 Under Rule 9 of the Takeover Code, if an acquisition of interests in shares were to cause the acquirer and/or persons acting in concert with it to be interested in shares carrying, in aggregate 30 per cent. or more of the voting rights in the Company, the acquirer and/ or (depending on the circumstances) persons acting in concert with it would be required (except with the consent of the Takeover Panel) to make a cash offer for all of the equity share capital of the Company not already owned by the acquirer and persons acting in concert with it at a price not less than the highest price paid for an interest in a share by the acquirer or persons acting in concert with it during the previous 12 months.
- 27.1.2 A similar obligation to make such a mandatory cash offer would also arise on the acquisition of interests in shares by a person who, alone or together with persons acting in concert with it holds shares carrying at least 30 per cent. but not more than 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and the persons acting in concert with it.
- 27.1.3 If a person (or group of persons acting in concert) holds an interest, or interests in, shares carrying more than 50 per cent. of the Company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding or voting rights without incurring any further obligations under Rule 9 to make a mandatory offer. Accordingly, Chi Kit LAW would be able to increase his interest in shares without incurring any such obligation under Rule 9 to make a mandatory offer.

### 27.2 **Squeeze-out rules**

Under the Companies Act, if a person who has made a general offer to acquire Ordinary Shares (the "offeror") were to acquire, or contract to acquire, 90 per cent. of the Ordinary Shares which are the subject of such offer within four months of making its offer, the offeror could then compulsorily acquire the remaining ten per cent. The offeror would do so by sending a notice to outstanding Shareholders telling them that the offeror will compulsorily acquire their Ordinary Shares and then, six weeks later, executing a transfer of the outstanding Ordinary Shares in the offeror's favour and paying the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to those Shareholders whose Ordinary Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the general offer.

### 27.3 **Sell-out rules**

- 27.3.1 The Companies Act gives minority Shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in the above paragraph. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder's Ordinary Shares.
- 27.3.2 The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

## 28. **Significant Change**

- 28.1 There has been no significant change in the financial performance or financial position of the Company since 30 September 2021 (being the date as at which the interim condensed consolidated financial statements contained in Part IV have been prepared).
- 28.2 Regal Crown HK has successfully applied for and signed a loan agreement for a HKD5.8 million

loan from the Bank of East Asia Limited on 22 July 2021 under the Special 100 per cent. Loan Guarantee pursuant to a SME Financing Guarantee Scheme Application, with a personal guarantee from the sole director of Regal Crown HK, Mr. Chi Kit LAW. Aside from this loan, there has been no significant change in the financial performance or financial position of Regal Crown HK since 31 March 2021 (being the date as at which the audited financial information contained in Part IV has been prepared).

## 29. Capitalisation and Indebtedness

29.1 The following tables set out the consolidated capitalisation of the Group as at 30 September 2021 and indebtedness of the Group as at 31 January 2022. The capitalisation information as at 30 September 2021 has been extracted without material adjustment from the interim condensed consolidated financial statements. The indebtedness information is unaudited and has been extracted without material adjustment from the Group's unaudited management information as at 31 January 2022.

		As at 31 January 2022 HKD
29.2	<b>Indebtedness</b>	
	<b>Current debt (including current portion of long-term debt)</b>	
	Guaranteed	725,000
	Secured	-
	Unguaranteed/Unsecured	127,094
	<b>Total current debt</b>	<b>852,094</b>
	<b>Non-current debt (excluding current portion of non-current debt)</b>	
	Guaranteed (2)	5,075,000
	Secured	-
	Unguaranteed/Unsecured	515,159
	<b>Total non-current debt</b>	<b>5,590,159</b>
	<b>Total indebtedness</b>	<b>7,167,613</b>
		As at 30 September 2021 HKD
	<b>Capitalisation</b>	
	Share capital	8,096,250
	Merger reserves	2,203,762
	<b>Total Capitalisation</b>	<b>10,300,012</b>

### Notes:

(1) This statement of capitalisation has been extracted without material adjustment from the Group's accounting records.

(2) Regal Crown HK signed a loan agreement for a HKD5.8 million loan from the Bank of East Asia Limited on 22 July 2021 under the Special 100 per cent. Loan Guarantee pursuant to a SME Financing Guarantee Scheme Application, with a personal guarantee from the sole director of Regal Crown HK, Mr. Chi Kit LAW. The loan (principal and interest) is repayable in monthly instalments to July 2029.

29.3 As at the date of this Prospectus, there has been no material change in the capitalisation of the Group since 30 September 2021.

29.4 The following table sets out the unaudited net financial indebtedness of the Group as at 31 January 2022 and has been extracted without material adjustment from the Group's unaudited management information as at 31 January 2022.

		As at 31 January 2022 HKD
29.5	<b>Net financial indebtedness</b>	
	A Cash	27,521,474
	B Cash equivalents	-
	C Trading securities	-
	<b>D Liquidity (A) + (B) + (C)</b>	<b>27,521,474</b>
	<b>E Current financial receivables</b>	<b>-</b>
	F Current bank debt	-

<b>Net financial indebtedness</b>	As at 31 January 2022 HKD
G Current portion of non-current debt	725,000
H Other current financial debt	127,094
<b>I Current financial debt (F + G + H)</b>	<b>852,094</b>
<b>J Net current financial indebtedness (D-I)</b>	<b>26,669,380</b>
K Non-current bank loans	5,075,000
L Bonds issued	-
M Other non-current loans	515,159
<b>N Non-current financial indebtedness (K + L +M)</b>	<b>5,590,159</b>
<b>O Net financial indebtedness (J + N)</b>	<b>21,078,861</b>

(1) Other current financial debt comprises short lease liabilities as of 31 January 2022.

29.6 As at 31 January 2022, the Group had no indirect or contingent indebtedness. As at the date of this Prospectus, there has been no material change in the indebtedness of the Group since 31 January 2022.

### 30. Capital Resources

30.1 The Director's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide a return on Shareholders' investments and benefits for other stakeholders as well as to maintain an optimal capital structure to reduce the cost of capital.

30.2 As at 31 August 2021, the Company has been financed solely by funds invested by its sole shareholder and, with respect to Regal Crown, a HKD5.8 million loan provided by the Bank of East Asia under a Special 100% Loan Guarantee under the SME Financing Guarantee Scheme Application which was introduced by the HKSAR Government.

	<b>Year Ended 31 March</b>		
	<b>2019 HKD</b>	<b>2020 HKD</b>	<b>2021 HKD</b>
Net cash generated from operating activities	2,279,537	6,225,043	(2,594,587)
Net cash used in investing activities	(10,389)	0	(607,708)
Net cash used in financing activities	(529,686)	(639,461)	(806,117)
Net increase in cash and cash equivalents	1,739,462	5,585,582	(4,008,412)
Effects of exchange rate changes	0	(24,845)	0
Cash and cash equivalent at the end of the year	2,752,878	8,313,615	4,305,203

30.3 Net cash generated from operating activities

30.3.1 The cash generated from operating activities consists of revenue generated from Regal Crown HK's fintech and IT and administrative services.

30.3.2 This cash is mainly reinvested to fund the development and operation of these fintech and IT services.

30.4 Net cash used in investing activities

30.4.1 The net cash generated from investments primarily reflects cash used for purchases of financial assets at fair value together with other kinds of assets including intangible assets; it is offset by proceeds from the disposal of financial assets at fair value.

30.5 Net cash used in financing activities

30.5.1 The cash generated from financing activities primarily reflects payments and receipt from related parties and payment of principal elements of lease liabilities.

30.5.2 Regal Crown HK has successfully applied for a loan from the Bank of East Asia Limited for the amount of HKD5.8 million and signed a loan agreement on 22 July 2021 with a personal guarantee from the sole director of Regal Crown HK, Mr. Chi Kit LAW.

30.6 Neither the Company nor Regal Crown HK are subject to any restrictions regarding the use of

capital resources that have materially affected or could materially affect, directly or indirectly, their operations and have not signed any agreement which requires the use of the funds for any material investments in the near future.

### 31. Working Capital

The Company is of the opinion that the working capital available to the Group, taking into account the net proceeds, is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this Prospectus.

### 32. Use of Proceeds

The Company expects that the gross proceeds will be used in the following manner:

		£m
Marketing Development Programme	25%	0.30
Establishing Development Centre	3%	0.04
Funding for future organic and non-organic growth	22%	0.27
Funding for potential licence application work	50%	0.61
Total	100%	1.22

### 33. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months preceding the date of Prospectus which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

### 34. Other Information and Consents

34.1 The total costs and expenses of and incidental to the Subscription and Admission, including the Financial Conduct Authority fee and the fees of the London Stock Exchange, are estimated to amount to approximately £800,000 (excluding VAT) and are payable by the Company.

34.2 Chief Financial Capital Limited has given and not withdrawn its written consent to the inclusion in this Prospectus of the references to its name in the form and context in which they appear.

34.3 VSA Capital Limited has given and not withdrawn its written consent to the inclusion in this Prospectus of the references to its name in the form and context in which they appear.

34.4 Moore Kingston Smith LLP has given and not withdrawn its written consent to the inclusion in this Prospectus of:

34.4.1 the Accountant's Report on the historical financial information of the Company as at 31 July 2021 set out in Part IV of this Prospectus; and

34.4.2 the Accountants' Report on the Unaudited Pro Forma Financial Information set out in Section A of Part VIII of this Prospectus,

and has authorised the contents of its Accountant's Report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.

### 35. Availability of this Prospectus and documents for inspection

Copies of the following documents will be available for inspection during normal business hours on any business day at the registered offices of the Company for at least one month after the date of Admission:

35.1 the Prospectus;

35.2 the Articles; and

35.3 the audited financial statements of the Company and Regal Crown HK as set out in Part IV together with the reporting accountant's/auditor's reports thereon.

In addition, this Prospectus will be published in electronic form and be available on the Company's website at [www.rc365plc.com](http://www.rc365plc.com), subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

## PART VII. NOTICES TO INVESTORS

The distribution of this Prospectus may be restricted by law in certain jurisdictions and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### 1. General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation, as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation; such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus, nor should such approval be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. Further, no arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

### 2. For the Attention of UK Investors

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation and the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

In the United Kingdom this Document is directed only at, legal entities which are qualified investors as defined under the Prospectus Regulation and are (i) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise be lawfully distributed under the Order, (all such persons together being "**Relevant Persons**"). In the United Kingdom, any investment or investment activity to which this Document relates is only available to and will only be engaged in with Relevant Persons. Persons who are not Relevant Persons should not act or rely on this Document or any of its contents.

### 3. For the Attention of Hong Kong Investors

This document has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Ordinary Shares may only be offered or sold in Hong Kong (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance and (b) in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong.



## PART VIII. UNAUDITED PRO FORMA FINANCIAL INFORMATION

### SECTION A - REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATION STATEMENT OF NET ASSETS



The Board of Directors  
**RC365 Holding Plc**  
Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

Dear Sirs,

#### **RC365 Holding Plc and Regal Crown HK(together the "Group")**

We report on the unaudited pro forma financial information (the "**Pro Forma Financial Information**") set out in Section B of this Part VIII of the prospectus dated 11 March 2022 (the "**Prospectus**"), which has been prepared on the basis described below, for illustrative purposes only, to provide information about how the Subscription might have affected the financial information presented on the basis of the accounting policies adopted by the Group in its next financial statements.

This report is required by Section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council which are part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA) and as amended by the relevant statutory instruments (the "**Prospectus Regulation**") and is given for the purpose of complying with that section and for no other purpose.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the Prospectus.

#### **Responsibilities**

It is the responsibility of the directors of the Group to prepare the Pro Forma Financial Information in accordance with Sections 1 and 2 of Annex 20 of the Prospectus Regulation.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the Prospectus Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

No reports or opinions have been made by us on any financial information on the Group used in the compilation of the Pro Forma Financial Information. In providing this opinion we are not providing any assurance on any source financial information on which the Pro Forma Financial Information is based beyond the above opinion.

#### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We are independent of the Company in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the

evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Group/

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Group.

### **Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Group.

### **Declaration**

For the purposes of Prospectus Regulation Rule PRR 5.3.2 R (2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Section 3 of Annex 20 of the Prospectus Regulation.

Yours faithfully

**Moore Kingston Smith LLP**

Chartered Accountants & Registered Auditors

Moore Kingston Smith LLP  
Chartered Accountants and Business Advisers  
Devonshire House, 60 Goswell Road, London EC1M 7AD  
020 7566 4000 www.mooreks.co.uk

A list of partners is available for inspection at the registered office  
Registered in England and Wales as a Limited Liability Partnership: No OC317343  
Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD

## SECTION B - UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of net assets for the Group as at 30 September 2021 (“**Pro Forma Financial Information**”).

The Pro Forma Financial Information has been prepared on the basis of the notes set out below, in accordance with Annex 1, Section 18, Item 18.4.1 of Commission Delegated Regulation (EU) 2019/980 and in a manner consistent with the accounting policies adopted by the Group in its next financial statements, being those adopted in preparing the historical financial information of Regal Crown HK, to illustrate the effect on the Group of the Subscription as if this transaction took place on 30 September 2021.

The Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not reflect the actual financial position or results of the Group post Admission. Such information may not, therefore, give a true picture of the Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act.

### Unaudited Pro-forma Statement of Consolidated Net Assets at 30 September 2021

	Unaudited Group at 30 September 2021	Subscription net of expenses	Pro-forma at 30 September 2021
	HKD	HKD	HKD
	Note 2	Note 3	
<b>Non-current assets</b>			
Property, plant and equipment	338,170	-	338,170
Right-of-use assets	888,571	-	888,571
	<b>1,226,741</b>	-	<b>1,226,741</b>
<b>Current assets</b>			
Deposit and prepayment	74,291		74,291
Trade and other receivables	5,957,836	(2,582,407)	3,375,429
Amount due from a director	7,495		7,495
Amount due from related companies	18,373	-	18,373
Cash and cash equivalents	11,385,029	16,746,442	28,131,471
	<b>17,443,025</b>	<b>14,164,035</b>	<b>31,607,060</b>
<b>Current liabilities</b>			
Trade and other payables	5,983,544	(4,531,149)	1,452,395
Amounts due to related companies	578,664		578,664
Bank loans	725,000		725,000
Lease liabilities	380,778	-	380,778
	<b>7,667,986</b>	<b>(4,531,149)</b>	<b>3,136,837</b>
<b>Net current assets / (liabilities)</b>	<b>9,775,039</b>	<b>18,695,184</b>	<b>28,470,223</b>
<b>Non-current liabilities</b>			
Bank loan	5,075,000		<b>5,075,000</b>
Lease liabilities	515,159		<b>515,159</b>
	<b>5,590,159</b>		<b>5,590,159</b>
<b>Net assets / (liabilities)</b>	<b>5,411,620</b>	<b>18,695,184</b>	<b>24,106,805</b>

Notes:

- The Pro Forma Financial Information has been prepared in accordance with the Group’s accounting policies to be adopted in its next financial statements, which are consistent with those accounting policies adopted in preparing the historical information of Regal Crown HK. The financial information for the Group has been extracted, without material adjustment, from the unaudited interim accounts to 30 September 2021 contained in Part IV of this Prospectus.
- Pursuant to the Subscription, the Company will issue 32,534,591 Ordinary Shares of GBP£0.01 (or HK\$0.11) each at the Issue Price. Consequently, pro forma adjustments have been recorded to show the gross cash proceeds to the Company from the Subscription of £2,017,145 (HK\$22,188,591) net of the unpaid Admission expenses which are expected to amount to £82,818 (HK\$911,000), and net of amounts received in advance of the subscription of £411,923 (HK\$4,531,149). £234,764 (HK\$2,582,407) of the prepaid admission expenses are included within trade and other receivables which will be reversed on

Admission. An exchange rate of £1/HK\$11 has been used for this Pro Forma Financial Information.

3. All the transactions above are in relation to Admission and are one off in nature. No account has been taken of the financial performance of the Group since 30 September 2021 nor of any change in the financial position other than those noted above.

## PART IX. DEFINITIONS

“Act” or “Companies Act”	the Companies Act 2006 (as amended)
“Admission”	admission of the Enlarged Share Capital to the Standard Listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities
“AML”	anti-money laundering
“API”	a business organisation designated by the FCA as an authorised payment institution
“Articles”	the articles of association of the Company
“ATL”	above-the-line
“Board”	the Directors of the Company
“City Code” or “Takeover Code”	the UK City Code on Takeovers and Mergers, as updated from time to time
“Company” or “RC365 Holding”	RC365 Holding plc
“Connected Persons”	has the meaning attributable to it in section 252 of the Act
“Control”	an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the Voting Rights of a company, irrespective of whether such interest or interests give de facto control
“CREST”	the relevant system, as defined in the CREST Regulations, for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 of the UK (SI 2001 No. 3755) (as amended)
“Directors” or “Directors on Admission”	the Directors of the Company on Admission, as set out on page 33 of this Prospectus ( <i>Directors and Advisers</i> )
“Disclosure and Transparency Rules” or “DTR”	the Disclosure and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
“Enlarged Share Capital”	the issued share capital of the Company on Admission following the issue of the Subscription Shares
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“EUWA”	the EU (Withdrawal) Act 2018, as amended
“FCA”	the UK Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“GDPR”	the EU General Data Protection Regulation

“Group”	the Company together with its subsidiaries from time to time
“HKFRS”	the Hong Kong Financial Reporting Standards
“IFRS”	the International Financial Reporting Standards as adopted by the International Accounting Standards Board
“Inland Revenue Department”	the Inland Revenue Department of the Government of the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	£0.062 per Subscription Share
“Key Executive Directors”	as of Admission, Mr. Chi Kit LAW and Mr. Hon Keung CHEUNG, and each of them a “Key Executive Director”
“KPI”	Key Performance Indicators
“KYC”	know-your-client
“Listing Rules”	the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time
“Lock-in Deed”	the lock-in deed dated 11 March 2022 between the Company, LYS Limited and Mr. Chi Kit LAW
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“LYS Limited”	L Y S Limited, a company incorporated in the BVI with company number 2073392, having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
“Official List”	the Official List of the FCA
“Ordinary Shares”	the ordinary shares of £0.01 nominal value each in the Company
“Panel”	the Panel on Takeover and Mergers
“POCA”	the Proceeds of Crime Act 2002
“PR”	public relations
“PRC”	People's Republic of China
“Premium Listing”	a Premium Listing under Chapter 6 of the Listing Rules
“Prospectus”	this prospectus
“Prospectus Regulation Rules”	the Prospectus Regulation Rules made by the by the FCA pursuant to section 73A of the FSMA, as amended from time to time
“Regal Crown HK”	Regal Crown Technology Limited, a company incorporated in Hong Kong on 25 February 2013, with its registered office at Level 19, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, and registered under company number 1865866
“Regulation S”	Regulation S promulgated under the Securities Act
“Relationship Agreement”	the relationship agreement dated 11 March 2022 between the Company, LYS Limited and Mr. Chi Kit LAW

"Securities Act"	the United States Securities Act of 1933, as amended
"Shareholders"	means the holders of shares in the capital of the Company from time to time
"Senior Managers"	as of Admission, Wai Yiu Tang (Timothy), Ching Tat Lee (Ted) and QiuHong Liang (Daisy), and each of them a "Senior Manager"
"Standard Listing"	a Standard Listing under Chapter 14 of the Listing Rules
"Subscribers"	investors who have conditionally agreed to subscribe for the Subscription Shares
"Subscription"	the conditional subscription by Subscribers for the Subscription Shares on the terms and subject to the conditions set out in the Subscription Agreements
"Subscription Agreements"	means the agreement or agreements entered into between the Company, Mr Chi Kit LAW and the Subscribers in connection with the Subscription for the Subscription Shares at the Issue Price
"Subscription Shares" or "new Ordinary Shares"	the 32,534,591 new Ordinary Shares in the capital of the Company which have been issued and allotted to the Subscribers pursuant to the Subscription
"TA"	Terrorism Act 2000
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Corporate Governance Code"	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time
"UK Prospectus Regulation"	Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018
"uncertificated" or "in uncertificated form"	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
"Voting Rights"	all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting