
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Mega Medical Technology Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Shareholders of the Shares with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of persons with such addresses and beneficial owners of the Shares who are residents outside Hong Kong are referred to the important information set out in the paragraph headed "Rights Issue — Rights of Overseas Shareholders" under the section headed "Letter from the Board" in this Prospectus. **This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or Rights Shares or to take up any entitlements to the nil-paid Rights Shares or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.**

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) who comes into possession of this Prospectus should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus will not be registered or filed under any applicable securities or equivalent legislation of any jurisdictions other than Hong Kong.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



MEGA MEDICAL

MEGA MEDICAL TECHNOLOGY LIMITED

美加醫學科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 876)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE SHARES HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF HK\$0.40 PER RIGHTS SHARE

Underwriter to the Rights Issue



Kaisa Group Holdings Ltd.
佳兆業集團控股有限公司*

Financial adviser to Mega Medical



長城環亞融資有限公司
GREAT WALL PAN ASIA CORPORATE FINANCE LIMITED

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

It should be noted that the Shares have been dealt on an ex-rights basis from Monday, 9 October 2017. Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 24 October 2017 to Tuesday, 31 October 2017 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) at or before 4:00 p.m. on Tuesday, 7 November 2017 (or such other time or date as may be agreed between the Company and the Underwriters), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Termination of the Underwriting Agreement" of this Prospectus). Accordingly, the Rights Issue may or may not proceed.

The latest date and time for acceptance of and payment for the Rights Shares and the application for excess Rights Shares is 4:00 p.m. on Friday, 3 November 2017. The procedures for acceptance and payment and/or transfer of the Rights Shares and application and payment for excess Rights Shares are set out on pages 18 to 21 of this Prospectus.

20 October 2017

NOTICES

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Rights Issue does not become unconditional, the Rights Issue will not proceed and the Company will make an announcement at the relevant time. It should also be noted that the Shares have been dealt on an ex-rights basis from Monday, 9 October 2017 and that the nil-paid Rights Shares are expected to be dealt from Tuesday, 24 October 2017 to Tuesday, 31 October 2017 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the nil-paid Rights Shares from Tuesday, 24 October 2017 to Tuesday, 31 October 2017 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed and should exercise caution. Any person dealing or contemplating any dealing in the securities of the Company and/or the nil-paid Rights Shares during this period who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser.

THIS PROSPECTUS DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO ACQUIRE, THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES OR TO TAKE UP ANY ENTITLEMENTS TO THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL.

None of the nil-paid Rights Shares, the Rights Shares, this Prospectus, the PAL and the EAF will be registered or filed under the securities laws of any jurisdiction (other than in Hong Kong). Accordingly, the nil-paid Rights Shares and the Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions. It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of any person with such addresses and beneficial owners of the Shares who are residents outside Hong Kong are referred to the section headed “Notices”, and the paragraph headed “Rights of Overseas Shareholders” under the section headed “Letter from the Board” of this Prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the nil-paid Rights Shares and/or Rights Shares to have confirmed, that he or she or it is aware of the restrictions on offers and sales of nil-paid Rights Shares and/or Rights Shares as described in this Prospectus.

NOTICES

NOTICE TO INVESTORS IN THE BVI

This Prospectus does not constitute and shall not be construed as an offer or solicitation to the public in the BVI to subscribe for the Rights Shares. The Rights Shares shall not be acquired for the account or benefit of any person who is a resident of, or who is domiciled in, the BVI, other than a BVI Business Company (as defined under the BVI Business Companies Act (as amended from time to time)) incorporated in the BVI that is not resident in the BVI, nor to a custodian, nominee or trustee of any such person.

CONTENTS

	<i>Pages</i>
Termination of the Underwriting Agreement	1
Definitions	3
Expected Timetable	9
Letter from the Board	11
Appendix I — Financial Information of the Group	I-1
Appendix II — Unaudited Pro Forma Financial Information of the Group	II-1
Appendix III — General Information	III-1

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) any change in the circumstances of Mega Medical or any member of the Group occurs which in the absolute opinion of the Underwriter will adversely affect the prospects of Mega Medical, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which, in the absolute opinion of the Underwriter, is likely to materially and adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (vi) any matter occurs which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or Mega Medical's securities on the Stock Exchange for a period of more than 15 consecutive business days occurs, excluding any halt or suspension in connection with the clearance of the announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to Mega Medical, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement. The Underwriter will also be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any Specified Event comes to the knowledge of the Underwriter.

In the event that the Underwriter exercises its rights to terminate or rescind the Underwriting Agreement, the Rights Issue will not proceed.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code;
“Announcement”	the joint announcement of the Company and Kaisa Group dated 28 July 2017 in relation to, among other things, the Rights Issue and the Whitewash Waiver;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“business day(s)”	means: <ul style="list-style-type: none">(i) for the purposes of the Underwriting Agreement, any day(s) (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours; and(ii) for all other purposes, a day on which the Stock Exchange is open for the transaction of business;
“BVI”	the British Virgin Islands;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Clarification Announcement”	the joint clarification announcement of the Company and Kaisa Group dated 18 August 2017;
“Circular”	the circular of the Company dated 15 September 2017 in relation to, among other things, the Rights Issue and the Whitewash Waiver;
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time);
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time);

DEFINITIONS

“Company” or “Mega Medical”	Mega Medical Technology Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules and the Takeovers Code;
“Director(s)”	director(s) of Mega Medical;
“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between Mega Medical and the Underwriter;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Group”	Mega Medical and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholder(s)”	shareholders of Mega Medical other than Kaisa Group, Ying Hua and parties acting in concert with any of them, the Chief Executive Officer of the Company and executive Director of the Board, Mr. Wu Tianyu, and any Shareholders who are involved or interested in the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver and the transactions contemplated thereunder;
“Irrevocable Undertaking by Kaisa Group”	the irrevocable undertaking dated 28 July 2017 granted by Kaisa Group in favour of Mega Medical, details of which are set out under the paragraph headed “Irrevocable Undertaking by Kaisa Group” in the “Letter from the Board”;
“Irrevocable Undertaking by Ying Hua”	the irrevocable undertaking dated 2 August 2017 granted by Ying Hua in favour of Mega Medical, details of which are set out under the paragraph headed “Irrevocable Undertaking by Ying Hua” in the “Letter from the Board”;

DEFINITIONS

“Kaisa Group” or “Underwriter”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange, a substantial Shareholder of Mega Medical and the Underwriter under the Underwriting Agreement;
“Last Trading Day”	28 July 2017, being the date of the Underwriting Agreement and the last trading day for the Shares on the Stock Exchange prior to the release of the Announcement;
“Latest Practicable Date”	16 October 2017, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for the purpose of inclusion in this Prospectus;
“Latest Time for Acceptance”	4:00 p.m. on Friday, 3 November 2017 or such later time or date as agreed between the Underwriter and Mega Medical in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents;
“Latest Time for Termination”	the latest time that the Underwriter can terminate the Underwriting Agreement, being 4:00 p.m. on the second business day after the Latest time for Acceptance;
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Kwok”	Mr. Kwok Ying Shing, an executive director and the substantial shareholder of Kaisa Group;
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal opinions provided by Mega Medical’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Shareholders;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of Mega Medical at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong;

DEFINITIONS

“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue;
“Posting Date”	Friday, 20 October 2017 or such other date as the Underwriter may agree in writing with Mega Medical, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders;
“Previous Acquisitions”	the acquisitions by Kaisa Group of a total of 830,949,743 Shares from October 2016 to November 2016;
“PRC”	the People’s Republic of China;
“Prospectus”	the prospectus to be despatched to Shareholders containing details of the Rights Issue;
“Prospectus Documents”	the Prospectus, PAL and EAF;
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of Mega Medical on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	Tuesday, 17 October 2017 (or such other date as the Underwriter may agree in writing with Mega Medical), being the date by reference to which entitlements to the Rights Issue is determined;
“Registrar”	the branch share registrar of Mega Medical in Hong Kong, being Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“Relevant Period”	the period beginning 6 months immediately prior to the date of the Underwriting Agreement (being the date of the Announcement) and ending on the Latest Practicable Date;
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every three (3) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents;
“Rights Share(s)”	new Shares to be issued and allotted under the Rights Issue, being 1,275,402,343 new Shares;

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time);
“SGM”	the special general meeting of the Company held at 20th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Central, Hong Kong at 11:00 a.m. on Wednesday, 4 October 2017 to approve the Rights Issue (including the Underwriting Agreement), the Whitewash Waiver and the transactions contemplated thereunder;
“Share(s)”	ordinary share(s) of HK\$0.00125 each in the share capital of Mega Medical;
“Shareholder(s)”	holder(s) of Share(s);
“Share Options”	the total of 279,040,000 outstanding share options as at the Latest Practicable Date granted by Mega Medical pursuant to the Share Option Scheme adopted by Mega Medical;
“Share Option Scheme”	the share option scheme adopted by Mega Medical pursuant to an ordinary resolution passed by Shareholders on 8 June 2015;
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$0.40 per Rights Share;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“subsidiary”	has the same meaning ascribed thereto in section 15 of the Companies Ordinance and “subsidiaries” shall be construed accordingly;

DEFINITIONS

“taken up”	in relation to any Rights Shares, means those Rights Shares in respect of which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of Mega Medical, subsequent presentation) have been received on or before the Latest Time for Acceptance and references to “take up” shall be construed accordingly;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Underwriting Agreement”	the underwriting agreement dated 28 July 2017 entered into between Mega Medical and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue, as amended and supplemented by an amendment letter agreement dated 12 September 2017 made by the same parties;
“Underwritten Shares”	all the Rights Shares (up to 998,419,096 Rights Shares) in excess of the aggregate of 276,983,247 Rights Shares that shall be provisionally allotted to and subscribed for by Kaisa Group pursuant to the Irrevocable Undertaking by Kaisa Group, which are fully underwritten by the Underwriter pursuant to the terms and subject to the conditions set out in the Underwriting Agreement;
“Whitewash Waiver”	a waiver of the obligation of Kaisa Group to make a mandatory general offer as a result of the underwriting of the Rights Issue for all the Shares not already owned, controlled or agreed to be acquired by it pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code by the Executive;
“Ying Hua”	Ying Hua Holdings Limited, a company incorporated in the BVI and is wholly owned by Mr. Kwok; and
“%” or “per cent.”	per cent.

** For identification purposes only*

EXPECTED TIMETABLE

The expected timetable of the Rights Issue is as follows:

Event	Date
First day of dealings in nil-paid Rights Shares.....	9:00 a.m. on Tuesday, 24 October 2017
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Thursday, 26 October 2017
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Tuesday, 31 October 2017
Latest time for acceptance of, and payment for, the Rights Shares and the application for excess Rights Shares	4:00 p.m. on Friday, 3 November 2017
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional.....	4:00 p.m. on Tuesday, 7 November 2017
Announcement of results of the Rights Issue	Monday, 13 November 2017
Refund cheques for wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before.....	Tuesday, 14 November 2017
Despatch of certificates for fully paid Rights Shares on or before	Tuesday, 14 November 2017
Commencement of dealings in fully-paid Rights Shares.....	9:00 a.m. on Wednesday, 15 November 2017

All time in this Prospectus refers to Hong Kong times.

Mega Medical will make further announcement(s) if there is any change to the above timetable. Dates or deadlines specified in this Prospectus for events in the above timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by Mega Medical and the Underwriter. Any changes to the anticipated timetable for the Rights Issue, if required, will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EXPECTED TIMETABLE

Effect of bad weather on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place at 4:00 p.m. on Friday, 3 November 2017 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances are:

1. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. The Latest Time for Acceptance will not take place at 4:00 p.m. on the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same business day instead; or
2. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. The Latest Time for Acceptance will not take place on the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Friday, 3 November 2017, the dates mentioned in the above section headed “Expected timetable” in this Prospectus may be affected. An announcement will be made by the Company in such event.

LETTER FROM THE BOARD



MEGA MEDICAL

MEGA MEDICAL TECHNOLOGY LIMITED

美加醫學科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 876)

Directors:

Executive Directors:

Mr. Luo Jun (*Chairman*)

Mr. Wu Tianyu (*Chief Executive Officer*)

Non-executive Director:

Mr. Xu Hao

Independent non-executive Directors:

Dr. Liu Yanwen

Mr. Guo Peineng

Mr. Wang Wansong

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business in Hong Kong:

Suite 2016A

20/F., Two International Finance Centre

8 Finance Street, Central

Hong Kong

20 October 2017

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

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR
EVERY THREE SHARES HELD ON THE RECORD DATE
AT THE SUBSCRIPTION PRICE OF HK\$0.40 PER RIGHTS SHARE**

INTRODUCTION

Reference is made to the Announcement, the Clarification Announcement and the Circular in relation to, among others, the Rights Issue.

On 28 July 2017, the Board announced that, among others, the Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every three (3) Shares held on the Record Date at the Subscription Price of HK\$0.40 per Rights Share. Mega Medical will provisionally allot to the Qualifying Shareholders one (1) Rights Share in nil-paid form for every three (3) Shares in issue and held on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholders.

LETTER FROM THE BOARD

At the SGM, the relevant resolution approving, among other things, the Rights Issue and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll.

Kaisa Group (which holds 830,949,743 Shares, representing approximately 21.72% of the total issued share capital of Mega Medical as at the Latest Practicable Date), Ying Hua (which is wholly owned by Mr. Kwok, who is also an executive director and a substantial shareholder of Kaisa Group, holds 308,000,000 Shares, representing approximately 8.05% of the total issued share capital as at the Latest Practicable Date) and parties acting in concert with any of them, being interested in the Rights Issue, the Underwriting Agreement and the Whitewash Waiver, as well as the Chief Executive Officer of the Company and executive Director, Mr. Wu Tianyu, who is a Shareholder holding 61,910,000 Shares representing approximately 1.62% of the issued share capital as at the Latest Practicable Date and is involved in the Rights Issue as he represented the Company in discussions with Kaisa Group regarding the Rights Issue, had abstained from voting at the SGM to approve the Rights Issue (including the Underwriting Agreement) and the transactions contemplated thereunder, and the Whitewash Waiver.

In the event that Kaisa Group is called upon to subscribe for the Underwritten Shares in full pursuant to its obligations under the Underwriting Agreement, including its full acceptance of provisional entitlement for Rights Shares under the Irrevocable Undertaking by Kaisa Group, the aggregate interest of Kaisa Group, Ying Hua and parties acting in concert with any of them will increase to approximately 47.33% as enlarged by the allotment and issue of the Rights Shares. Accordingly, the underwriting by Kaisa Group of the Underwritten Shares under Rights Issue will trigger an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by Kaisa Group, Ying Hua and parties acting in concert with any of them, unless a waiver is granted by the Executive.

On 29 September 2017, the Executive granted the Whitewash Waiver subject to (a) the Rights Issue being approved by a vote of the Independent Shareholders at a general meeting of the Company, to be taken on a poll; and (b) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by Kaisa Group, Ying Hua and parties acting in concert with any of them, between the announcement of the Rights Issue and the completion of the Rights Issue. Condition (a) has been fulfilled. Each of Kaisa Group, Ying Hua and parties acting in concert with any of them has not acquired or disposed of any voting rights of the Company between 28 July 2017 and the Latest Practicable Date. Accordingly, subject to fulfillment of condition (b), no mandatory general offer under Rule 26 of the Takeovers Code will be required to be made by Kaisa Group for all the Shares not already owned or agreed to be acquired by Kaisa Group, Ying Hua and parties acting in concert with any of them as a result of the Rights Issue and the Underwriting Agreement.

The purpose of this Prospectus is to provide you with, amongst others, further information in relation to the Rights Issue, including procedures for the acceptance of, and payment for, the Rights Shares, the application for excess Rights Shares and certain financial information and other information in respect of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

Details of the Rights Issue are summarised below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every three (3) Shares held on the Record Date
Subscription Price	:	HK\$0.40 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	3,826,207,031 Shares
Number of Rights Shares	:	1,275,402,343 Rights Shares
Number of the enlarged Shares in issue upon completion of the Rights Issue	:	5,101,609,374 Shares

As at the Latest Practicable Date, there are outstanding Share Options in respect of 279,040,000 Shares granted and exercisable under the Share Option Scheme. Save for the foregoing, there are no other options, warrants or other convertible securities granted by Mega Medical that are subsisting as at the Latest Practicable Date.

The number of 1,275,402,343 Rights Shares to be issued pursuant to the Rights Issue represents (i) approximately 33.33% of the existing issued Shares; and (ii) approximately 25.00% of the enlarged issued Shares immediately after completion of the Rights Issue.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of Mega Medical at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

If a Qualifying Shareholder does not take up his, her or its entitlement in full under the Rights Issue, his, her, or its proportionate Shareholding in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents have not been registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

LETTER FROM THE BOARD

As at the Latest Practicable Date, based on the register of members of the Company, there was one Overseas Shareholder whose address is located in the BVI.

In compliance with Rule 13.36(2)(a) of the Listing Rules, Mega Medical has made enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholder. Based on the advice provided by the Company's legal advisers as to the laws of the BVI, there is no regulatory restriction or requirement with respect to extending the Rights Issue to the Overseas Shareholder and the Prospectus Documents would not be required to be registered with any relevant regulatory body or the stock exchange in the BVI. Accordingly, the Rights Issue will be extended to the Overseas Shareholder.

No action has been taken to permit the offering of the Rights Shares, or the distribution of this Prospectus or any of the PAL or EAF, in any territory or jurisdiction outside Hong Kong (other than the BVI). No person receiving a copy of this Prospectus and/or the PAL and the EAF in any territory or jurisdiction outside Hong Kong (other than the BVI) may treat it as an offer or an invitation to apply for the Rights Shares or the excess Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this Prospectus or any of the PAL or EAF outside Hong Kong (other than the BVI) and wishing to take up the Rights Shares or make an application for the excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance or application by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. If you are in any doubt as to your position, you should consult your professional advisers.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro-rata to their shareholdings held at the Record Date, individual amounts of HK\$100 or less will be retained for the benefit of the Company.

Any unsold entitlement of the Non-Qualifying Shareholders together with any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders, will be made available for excess applications on EAFs by the Qualifying Shareholders.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.40 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a premium of approximately 26.98% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 25.39% to the average closing price of HK\$0.319 per Share for the five consecutive trading days ended on the Last Trading Day;
- (c) a premium of approximately 19.05% to the theoretical ex-rights price of approximately HK\$0.336 per Share, based on the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a premium of approximately 14.29% to the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (e) a premium of approximately 203.03% to the audited net asset value of Mega Medical of approximately HK\$0.132 per Share as at 31 December 2016, based on the Company's audited consolidated net assets attributable to owners of Mega Medical of approximately HK\$504,402,000 as at 31 December 2016 and 3,826,207,031 Shares in issue; and
- (f) a premium of approximately 191.97% over the unaudited consolidated net asset value of Mega Medical of approximately HK\$0.137 per Share as at 30 June 2017, based on the Company's unaudited consolidated net assets attributable to owners of Mega Medical of approximately HK\$523,495,000 as at 30 June 2017 and 3,826,207,031 Shares in issue.

The Subscription Price was determined after arm's length negotiations between Mega Medical and the Underwriter with reference to (a) the market price of the Shares prior to the Last Trading Day; (b) the prevailing market conditions of the capital markets in Hong Kong; and (c) the potential of the dental prosthetics business. In particular, the Directors considered the positive outlook of the dental industry in determining the Subscription Price, such as the increasing dental expenditures per capital globally and in the PRC, and more particularly, the growing market for dental prosthetics in the PRC.

LETTER FROM THE BOARD

In consideration of the historical share prices and trading volume of the Shares, during the period from 29 July 2016 to 28 July 2017, the date of the Underwriting Agreement (the “**Trading Period**”), the share prices of Mega Medical ranged between HK\$0.285 per Share on 7 July 2017 and HK\$0.58 per Share on 31 October 2016 (the “**Range**”). The average price of the Shares for the first six months of the Trading Period (from 29 July 2016 to 28 January 2017) (the “**1st Half Trading Period**”) was HK\$0.402 per Share (the “**Average Price**”) with an average trading volume of 11,514,049 Shares per trading day and accounted for approximately 92.52% of aggregate trading volume for the Trading Period; while the average price of the Shares for the second six months of the Trading Period (from 29 January 2017 to 28 July 2017) (the “**2nd Half Trading Period**”) is HK\$0.343 per Share with an average volume of 946,112 Shares per trading day and accounted for approximately 7.48% of the aggregate trading volume for the Trading Period.

The Directors were aware that the average trading volume for the 1st Half Trading Period, accounting for over 90% of the aggregate trading volume for the Trading Period, is significantly higher than the 2nd Half Trading Period. As such, the Directors consider that the Share prices during the 1st Half Trading Period are more representative of the historical Share prices, while the Share prices during the 2nd Half Trading Period might not be regarded as a good indicator for determining the Subscription Price.

Given the Subscription Price of HK\$0.40 per Share falls within the Range and is close to the Average Price, which is considered to be more representative and reflects the historical share price of Mega Medical as most of the trading of the Shares was carried out in the 1st Half Trading Period, the Directors consider that the basis in determining of the Subscription Price of HK\$0.40 is fair and reasonable.

In addition to considering the historical market prices and trading volume of the Shares, the Directors have considered the prevailing market conditions of the capital markets in Hong Kong. The Company has taken into account that the Hang Seng Index has increased by approximately 23.24% from 21,891.37 to 26,979.39 during the Trading Period. Also, the increment of Hang Seng Healthcare Index from 3,112.48 to 3,718.41 during the Trading Period, representing an increase of approximately 19.47%, indicates an upward trend in healthcare industry. The Directors consider that the performance of the market indices reflect the prevailing market condition and the market sentiment is positive, which would impose a positive effect on the Rights Issue.

The Directors also engaged a valuer to survey the dental industry and considered the outlook of the dental industry in determining the Subscription Price. With reference to the statistics shown in the Roland Berger report as disclosed in the prospectus of Modern Dental Group Limited (Stock Code: 3600) (“**Roland Berger Report**”), in general, dental expenditure per capita has been increasing globally. In the PRC, the per capita dental expenditure is expected to grow by approximately 31.3% in the period between 2014 and 2018.

According to World Preview 2016, Outlook to 2022 published by EvaluateMedTech, the global dental device market is expected to grow from USD12.4 billion in 2015 to USD18.3 billion in 2022 or at a compound annual growth rate of 5.7% during that period. In particular, based on the Roland Berger Report, the sales of the PRC custom-made dental prosthetic market is expected to record a compound annual growth rate of 19.2% between 2014 and 2018.

LETTER FROM THE BOARD

In consideration of the above, the Directors consider that the premium of the Subscription Price to recent closing prices of the Shares is justified.

As noted on page 80 of the Company's Annual Report 2016, the dental prosthetic business has generated segment profits of approximately HK\$56.43 million for the year ended 31 December 2016.

In addition, even though the Company recorded losses after taxation from continuing operation of approximately HK\$1.30 million of the year ended 31 December 2016, the Directors still consider that the dental prosthetics business has performed well, because the loss incurred for 2016 was mainly due to equity-settled share option expenses of approximately HK\$24.62 million (as noted on page 84 of the Company's Annual Report 2016), which was not generated directly from such business. The actual performance of the dental prosthetics business should be better after excluding such expenses.

Furthermore, the loss-making electronic manufacturing services business of the Group has been discontinued since December 2016 (the "Cessation"). The Directors consider that the performance of the Group will further improve after the Cessation.

In view of the aforesaid, the Directors consider that the financial performance of the dental prosthetics business is promising and that the financial condition of the Group will further improve.

Although the Subscription Price is set at a premium to the recent closing price of the Shares, the Directors believe that the Shareholders will participate in the Rights Issue instead of purchasing the Shares in the open market given that (i) it is difficult for the Shareholders to acquire the Shares in the open market without creating an upward pressure on the price of the Shares due to the relatively thin trading volume of the Shares; and (ii) the prevailing low level of Share prices may not be maintained during the offer period of the Rights Issue.

The Directors (excluding Mr. Luo Jun and Mr. Xu Hao who have abstained from voting on the Board resolutions, but including the independent non-executive Directors) considered that the terms of the Rights Issue, including the Subscription Price which has been set at a premium to the recent closing prices of the Shares, allows existing Shareholders to take up their entitlements so as to participate in the potential growth of Mega Medical and maintain their respective pro-rata shareholding through their participation into the Rights Issue. It is therefore fair and reasonable and in the best interests of Mega Medical and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.398.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every three (3) Shares in issue and held on the Record Date, being 1,275,402,343 Rights Shares, at the Subscription Price of HK\$0.40 per Rights Share.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar by 4:00 p.m. on Friday, 3 November 2017.

LETTER FROM THE BOARD

Fractions of Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by Mega Medical and Mega Medical will keep the net proceeds for its own benefit. Any unsold fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders.

Status of the Rights Shares

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

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

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Friday, 3 November 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "MEGA MEDICAL TECHNOLOGY LIMITED — PAL" and crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Friday, 3 November 2017, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Thursday, 26 October 2017 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

LETTER FROM THE BOARD

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

If any of the Underwriters exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Tuesday, 7 November 2017 (or such later time as the Company and the Underwriters may agree in writing), the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Tuesday, 14 November 2017.

Application and payment for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted and any unsold fractions of Rights Shares not provisionally allotted.

Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by 4:00 p.m. on Friday, 3 November 2017.

The Directors will allocate the excess Rights Shares at their discretion on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the Rights Shares comprised in applications by PAL or the number of Shares held by the Qualifying Shareholders. No preference will be given to applications to topping up odd lot holdings to whole lot holdings.

Shareholders with Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of Mega Medical. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are therefore advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date for the purpose of the Rights Issue.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 3 November 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "MEGA MEDICAL TECHNOLOGY LIMITED — EAF" and crossed "ACCOUNT PAYEE ONLY". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them.

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Tuesday, 14 November 2017. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus remittance without interest is also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post at his own risk by the Registrar on or before Tuesday, 14 November 2017.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation, and in such event, the relevant excess application and all rights thereunder will be deemed to have been declined and will be cancelled.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

LETTER FROM THE BOARD

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” below is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Tuesday, 7 November 2017 (or such later time as the Company and the Underwriter may agree in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 14 November 2017.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” under the section headed “Letter from the Board” of this Prospectus, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 14 November 2017. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 14 November 2017 by ordinary post to the applicants at their own risk.

Application for listing

Mega Medical has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 10,000 Shares in one board lot.

No part of the equity or debt securities of the Company is listed or dealt in on which listing or permission to deal in is being or is proposed to be sought in other stock exchanges other than the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

None of the securities of the Company is listed or dealt in any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

LETTER FROM THE BOARD

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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

Taxation

Qualifying Shareholders should consult their professional advisers on the tax implications of the holding or disposal of, or dealings in the Rights Shares in both their nil-paid and fully paid forms. It is emphasized that none of the Company, the Directors or any parties involved in the Rights Issue accepts responsibility for any tax effect or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

THE UNDERWRITING AGREEMENT

On 28 July 2017, Mega Medical and Kaisa Group entered into the Underwriting Agreement in respect of the underwriting arrangement for the proposed Rights Issue.

The principal terms of the Underwriting Agreement are set out as follows:

Date

28 July 2017, as amended and supplemented by an amendment letter agreement dated 12 September 2017.

Parties

- (i) Mega Medical (as the issuer); and
- (ii) Kaisa Group (as the Underwriter).

Total number of Rights Shares underwritten

The Underwriter has conditionally agreed to underwrite up to 998,419,096 Rights Shares, being all Underwritten Shares (excluding 276,983,247 Rights Shares undertaken to be subscribed by Kaisa Group pursuant to the irrevocable undertaking set out in the paragraph headed “Irrevocable Undertaking by Kaisa Group” of this Prospectus), subject to the terms and conditions of the Underwriting Agreement.

LETTER FROM THE BOARD

Commission

No commission will be paid to the Underwriter under the Underwriting Agreement.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the passing of the necessary resolution by the Independent Shareholders at the SGM approving and confirming (a) the Rights Issue and the transactions contemplated thereunder (including the Underwriting Agreement) and authorizing the Directors to allot and issue the Rights Shares (in their nil paid and fully paid forms) and (b) the Whitewash Waiver, each in accordance with the bye-laws of Mega Medical, the Listing Rules and the Takeovers Code on or before the Record Date;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one (1) copy of each of the Prospectus Documents duly signed by two (2) Directors (or by their agents duly authorised in writing) in accordance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (iii) following registration with the Registrar of Companies in Hong Kong, the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only and the publication of the Prospectus Documents on the website of the Stock Exchange, on or before the Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (v) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms hereof prior to the Latest Time for Termination;

LETTER FROM THE BOARD

- (vi) the Executive having granted to Kaisa Group the Whitewash Waiver, and the satisfaction of all conditions (if any) attached thereto and such other necessary waiver or consent as may be required to be obtained from the Executive for the transactions contemplated under the Rights Issue;
- (vii) the compliance with and performance of all the undertakings and obligations of Mega Medical under the terms of the Underwriting Agreement;
- (viii) the compliance with and performance of all the undertakings and obligations of Kaisa Group, or any of its respective associates, under the irrevocable undertaking to take up its entitled Rights Shares under the Rights Issue;
- (ix) Ying Hua having irrevocably undertaken not to take up any of its entitled Right Shares or excess Rights Shares under the Rights Issue;
- (x) there being no Specified Event occurring prior to the Latest Time for Termination; and
- (xi) the Shares remaining listed on the Stock Exchange at all times prior to the settlement date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 15 trading days at any time prior to the Latest Time for Acceptance.

The conditions above are incapable of being waived. If the conditions are not satisfied in whole by the Latest Time for Termination or such other time and/or date as Mega Medical and the Underwriter may agree in writing, the Underwriting Agreement will terminate and cease to be of further effect and no party may claim against the other party for costs, damages, compensation or otherwise, save for any antecedent breaches.

As at the Latest Practicable Date, none of the conditions above are fulfilled except for conditions (i) and (ix).

Irrevocable Undertaking by Kaisa Group

As at the Latest Practicable Date, Kaisa Group holds 830,949,743 Shares, representing approximately 21.72% of the existing issued Shares of Mega Medical. Pursuant to the Irrevocable Undertaking by Kaisa Group, Kaisa Group has irrevocably undertaken to Mega Medical, among other things, that it will remain as the beneficial owner of such Shares until and including the Record Date and will accept a total of 276,983,247 Rights Shares, being its full entitlement under the Rights Issue.

LETTER FROM THE BOARD

Irrevocable Undertaking by Ying Hua

As at the Latest Practicable Date, Ying Hua holds 308,000,000 Shares, representing approximately 8.05% of the existing issued Shares of Mega Medical. Pursuant to the Irrevocable Undertaking by Ying Hua, Ying Hua has irrevocably undertaken to Mega Medical, among other things, that, it will not take up any of its entitled Rights Shares and excess Rights Shares under the Rights Issue.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

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

LETTER FROM THE BOARD

- (iv) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which, in the absolute opinion of the Underwriter, is likely to materially and adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing; or
- (vi) any matter occurs which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or Mega Medical's securities on the Stock Exchange for a period of more than 15 consecutive business days occurs, excluding any halt or suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to Mega Medical, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement. The Underwriter will also be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any Specified Event comes to the knowledge of the Underwriter.

ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF SHARE OPTIONS

As at the Latest Practicable Date, there are outstanding Share Options in respect of 279,040,000 Shares granted and exercisable under the Share Option Scheme. Pursuant to the terms and conditions of the Share Option Scheme, the Rights Issue may cause alterations (if any) in the number of Shares subject to any Share Options, the exercise price, and/or the number of Shares subject to the Share Option Scheme. Further announcement(s) will be made by Mega Medical as and when appropriate pursuant to the Listing Rules.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the dental prosthetics business. The gross proceeds from the Rights Issue will be approximately HK\$510.16 million. The estimated net proceeds from the Rights Issue will be approximately HK\$507.16 million, which are intended to be used in the following manner:

- (i) approximately HK\$203 million will be applied to fund the proposed acquisition of an overseas dental technology company (the “**Target Company**”);
- (ii) approximately HK\$296 million will be applied to the proposed acquisition of land to construct a manufacturing plant for the dental prosthetic business in the PRC; and
- (iii) the remaining proceeds will be applied for general working capital requirements of the Group.

(i) Proposed acquisition of the Target Company

Mega Medical is in ongoing negotiations with the Target Company with a view to acquiring a controlling shareholding in the Target Company by way of purchasing existing shares and subscribing for new shares in the Target Company. The Target Company is principally engaged in the design, manufacturing and distribution of materials and technologies relating to innovative dental prosthetic solutions, and was founded in 2008 by a group of selected professional dentists in related disciplines and businessmen. In consideration of the following, the Board considers that the acquisition of the Target Company will create synergy effects within the Group:

- The Directors consider the acquisition to be an upstream acquisition and that the Target Company’s business is in the same category as the Group’s existing business. The Target Company produces a fundamental component of a type of dental prosthetic. The Company will be able to manufacture the whole prosthetic teeth (instead of merely the surface part of the prosthetic teeth) after the acquisition of the Target Company. Moreover, the Target Company has the same types of target customers as compared to the Group, and both the Group and the Target Group are focused on dental prosthetic products and public oral health. In addition to the type of products, the Target Company and Mega Medical target similar types of customers, including dental clinics, hospitals, agents and distributors.
- The Target Company has developed a strong sales network in Asia Pacific and Australia, Latin America and Europe, while the Group’s existing sales channels are focused in the PRC, United States and Europe and does not have any presence in Latin America. Upon acquiring the Target Company, the Directors expect that Mega Medical and the Target Company can cross-sell products to their respective existing clientele and markets.

LETTER FROM THE BOARD

- The Target Company operates a member's club program that dental clinics can join, which provides dentists with training to use their products and grants exclusive licenses to those dentists to use the Target Company's products in respective geographical areas. The Board considers that such a member's club program helps to bond customers and suppliers, and could be expanded to the Group's existing business following the acquisition.
- There are a number of experts in the management and technical board of the Target Company, with advanced degrees in related disciplines in dentistry, and the acquisition will enable more frequent and in-depth collaboration between these experts and the Company's specialists.

As part of its due diligence work, the Company has engaged a valuer to assess the valuation of the Target Company. Moreover, the Company has obtained audited accounts for the Target for the years ended 31 December 2014 and 31 December 2015, and the management accounts of the Target Company for the year ended 31 December 2016 and the five months ended 31 May 2017. The Company has raised due diligence questions and obtained responses from the vendor regarding the financial information of the Target Company. The Company has also physically visited the location of operation of the Target Company in June 2017, and has carried out ongoing discussion with the Target Company's management in relation to the acquisition.

No definitive agreement(s) has been entered into by Mega Medical as at the Latest Practicable Date. Further announcement(s) will be made by Mega Medical as and when appropriate pursuant to the Listing Rules.

Mega Medical originally expected to enter into a memorandum of understanding with the vendor of the Target Company before the end of August 2017 and to enter into a definitive agreement by the end of October 2017, with completion by the end of 2017. However, due to extended negotiations between the parties, the Company now expects to enter into a definitive agreement with the vendor of the Target Company by October 2017, with completion by early 2018.

The expected consideration for the acquisition of the Target Company is HK\$203 million and the above mentioned allocation of proceeds from the Rights Issue is expected to be sufficient to pay for the acquisition. If the consideration for the Target Company exceeds the expected amount, Mega Medical expects to fund the remaining consideration with its internal resources.

The vendor of the Target Company and its ultimate beneficial owner is independent of, and has no business or shareholding or any other relationship with, Mega Medical and Kaisa Group and their connected persons.

LETTER FROM THE BOARD

The Company has prioritized applying the net proceeds from the Rights Issue for the acquisition of the Target Company over the development of the Company's current product offerings, specifically, the 3D oral scanner and the Mega Clear Aligner (the "**Existing Products**"), since the Company considers the acquisition a good opportunity to achieve vertical integration and enhance profitability of the Group. The Group can finance the development of the existing products by its existing internal resources. Therefore, the Company will allocate a significant portion of the net proceeds from the Rights Issue to the acquisition of the Target Company. In case the acquisition of the Target Company does not proceed, Mega Medical will first apply the proceeds to the working capital requirements for the Existing Products (approximately HK\$57 million in total) and consider other potential acquisitions, such as similar dental prosthetic solution companies which are engaged in the same field as the Target Company and also in other dentistry areas, including a dental laboratory and a downstream distributor (the "**Other Potential Acquisitions**"). Since the Other Potential Acquisitions are still in preliminary stages of discussion and the Company is prioritizing the negotiations in connection with the acquisition of the Target Company, there is no expected timetable regarding the Other Potential Acquisitions at this stage. Save for the Other Potential Acquisitions, the Directors has no intention to enter, and have not entered, into any negotiation, agreement, arrangement and/or undertaking to acquire any business and/or assets which is of different nature compared to the Target Company.

(ii) Proposed acquisition of land

Currently, the manufacturing plants of dental prosthetics products of Mega Medical are situated in Shenzhen Longguan District, which are leased from third parties and the leases for the properties will expire on 30 November 2018 and 30 September 2019, respectively. In view of the risk for non-renewal of the leases for the manufacturing base, the Group intends to purchase a piece of land of 30 mu in a development zone in Dongguan, Guangdong Province, the PRC to construct its own manufacturing base for future expansion.

With the new manufacturing base, the Company plans on tripling the number of workers to around 4,000 and thereby tripling the production capacity. The existing operations and manufacturing of the dental prosthetics products of the Group, along with the new operations and manufacturing of the dental prosthetic solutions products from the acquisition of the Target Company, will be re-located to the new manufacturing base. The Company can also solicit its business partners to manufacture their products at the new manufacturing base.

It is expected that the total land and construction cost will amount to approximately HK\$296 million, and the above mentioned allocation of proceeds from the Rights Issue is expected to be sufficient to pay for the acquisition and development of the land. Mega Medical is in negotiation with the Dongguan Municipal Government Authorities and as at the Latest Practicable Date, no definitive agreement has been entered by Mega Medical. Further announcement(s) will be made by Mega Medical as and when appropriate pursuant to the Listing Rules.

LETTER FROM THE BOARD

The development zone in Dongguan is situated near Hong Kong, Shenzhen and Guangzhou. The Directors consider that the development zone's focus on technology and service based industries is a good fit for Mega Medical business.

Mega Medical expects to enter into a definitive agreement for the land acquisition and to complete the land acquisition by the end of 2017. It is anticipated that development and construction will complete within 30 months of completion of the land acquisition. The scale of the land acquisition may vary and in case the consideration and the construction cost exceed the expected amount (depending on the negotiations with government authorities and contractors), Mega Medical expects to fund the shortfall with its internal resources. The Company intends to engage a construction company to carry out the detailed construction and development work on the land. The Chairman of the Board, Mr. Luo Jun, is an existing employee of Kaisa Group, and has been involved in real estate development and sales. His experience and background will assist the Company in the engagement of such a construction company.

The vendor of the land and its ultimate beneficial owner is independent of, and has no business or shareholder or any other relationship with, Mega Medical and Kaisa Group, their connected persons, and parties acting in concert with any of them.

At present, the Company has not begun negotiation for the renewal of the existing leases mentioned above. At the end of such leases, the Company expects that it will initially negotiate with the present landlords for renewal with a shorter rental period first. The Company will reserve sufficient time to negotiate, and in case the negotiations are not successful, the Company will consider temporarily moving to another location for its operations. The Company has no intention to enter into a long term lease on the leased premises as the existing factories and facilities are nearly 20 years old and in a dilapidated state. In addition, relocation to the new manufacturing base can uplift the corporate image of the Company, enhance safety and environmental protection standards and provide an upgrade in management and ancillary facilities.

Aside from lease renewal or seeking for new leases and building its own manufacturing base, the Company presently does not have other proposed solutions for the non-renewal of the leases for the manufacturing base. If the land acquisition does not proceed, Mega Medical will continue to pursue its plan to acquire land in other locations, in particular, in Shenzhen and surrounding areas of Shenzhen, and seek for vendors accordingly.

LETTER FROM THE BOARD

(iii) General working capital requirements

As disclosed in the announcement of Mega Medical dated 19 October 2016, United Noble Development Limited (“**United Noble**”), a wholly owned subsidiary of the Group, entered into the exclusive distribution agreement with Condor International NV (formerly known as Medical Franchises & Investments NV) on 19 October 2016 (the “**Exclusive Distribution Agreement**”), pursuant to which it was appointed as the sole and exclusive distributor of the Condor intraoral scanner (also known as 3D Intra Oral Scanner) and other products supplied by Condor International in the PRC. Details of which please refer to the announcements of Mega Medical dated 3 June 2016, 1 August 2016, 2 September 2016, 4 October 2016, 19 October 2016 and 29 November 2016.

The distribution of the products in the PRC by United Noble pursuant to the Exclusive Distribution Agreement is subject to obtainment by United Noble of registration and licence from the PRC government to distribute the products in the PRC (the “**CFDA**”). The Group expects that CFDA approval in the PRC for the 3D Intra Oral Scanners will be obtained by United Noble by 2018. In order to meet the relevant annual purchase target as set out in the Exclusive Distribution Agreement, the management of the Company considers that Mega Medical shall incur initial start-up cost to develop such new business. Such start-up costs are required as the Exclusive Distribution Agreement requires prepayments by Mega Medical to Condor International upon placing product orders as well as prior to shipment. Start-up costs are also generated due to the time frame from placing product orders, manufacturing, shipment, customs clearance, inventory stock-up, sale of products to customer payment, a process which in total can take up to ten months.

Based on the expected sales and cost of the products and the terms of the Exclusive Distribution Agreement, the Company expected to incur approximately HK\$27.0 million as the start-up cost for the launch of the 3D Intra Oral Scanners assuming sales of the products will commence in the second quarter of 2018. The Company will apply (i) approximately HK\$24.7 million for the full payment of 233 Condor intraoral scanner sets and the related expenses, which are scheduled to be sold up to October 2018; and (ii) approximately HK\$2.3 million for the prepayment of 67 Condor intraoral scanner sets, which are scheduled to be sold during November and December 2018.

In addition, the Group plans to put more efforts and resources in working capital and advertising and promotions on a recently launched product, the Mega Clear Aligner, which are our brands for custom-made invisible dental braces. In contrast to traditional orthodontics, Mega Clear Aligner dental braces are invisible, pain-free, and suitable for all ages, and can be worn and removed with ease for better patient oral hygiene. Mega Clear Aligner is based on the latest imported technologies, utilizing 3D-printing technology to diagnose, design and produce custom invisible dental braces for each patient. The product materials used for Mega Clear Aligner are certified by the relevant health and safety authorities in the European Union, United States and the PRC. The launch of the Mega Clear Aligner will raise the competitive edge of the Company in the PRC orthodontics market, and also provides support for Mega Medical to enter the international orthodontics market in the future.

LETTER FROM THE BOARD

If the acquisition of the Target Company does not proceed to completion but the land acquisition proceeds to completion, the Company will apply the net proceeds of approximately HK\$507.16 million from the Rights Issue in the following manner: (i) approximately HK\$296 million for the land acquisition; (ii) approximately HK\$154.16 million for the Other Potential Acquisitions; and (iii) approximately HK\$57 million to satisfy the working capital requirements of the Existing Products.

Save as disclosed above, as of the Latest Practicable Date, Mega Medical has not negotiated nor entered into any agreement, arrangement, undertaking and understanding in relation to material acquisitions or disposals or the scaling down of any of its existing business.

The Directors considered that the Rights Issue will improve Mega Medical's ability to negotiate and complete the acquisitions, demonstrating to the respective vendors the Mega Medical's proof of sufficient funds and its ability to make timely payment.

In view of the aforesaid, the Directors (excluding Mr. Luo Jun and Mr. Xu Hao who have abstained from voting on the Board resolutions approving the Rights Issue and the Underwriting Agreement, but including the independent non-executive Directors) considered that the terms and conditions of the Rights Issue are fair and reasonable and are in the best interests of Mega Medical and the Shareholders of Mega Medical as a whole.

Comparison of different fund raising methods

The Directors had considered alternative ways of fund raising, including debt financing from banks. The Company approached a number of banks for banking facilities, but the banks approached were either unable to provide any financing, or only able to provide an insufficiently small amount of trade financing at an expensive cost of finance. The Board is of the view that banks were reluctant to offer financing because the Company owns few tangible assets to be offered to the bank as loan collateral, and in any case, banks preferred to offer trade finance facilities instead of other types of financing due to trade financing being more restricted in the use of loan proceeds and being attached to a clear source of repayment. In light of the above, the Board considered that debt financing from banks was not an appropriate method to obtain financing for the use of proceeds mentioned above.

Furthermore, since the Company has already entered into negotiations with the Dongguan Municipal Government Authorities regarding the proposed acquisition of land, it is more desirable for the Company to raise the necessary funds and prove to the Dongguan Municipal Government Authorities that it is ready and financially well-equipped to acquire the land. Therefore, when assessing different fund raising methods, the Directors have not considered smaller rounds of fund raising to fund the acquisition of the Target Company and raise general working capital first and wait for the approval status of the acquisition of the land to become more certain to raise further funds.

LETTER FROM THE BOARD

Additionally, the Company has discussed the funding requirements with the Dongguan Municipal Government Authorities and advised them that the Company will conduct the Rights Issue to raise sufficient funding to fund the acquisition of the land and the related construction costs. Alternatively, the Company has considered other fund raising methods, such as bank financing, but encountered difficulty given that the land itself only represents a small portion of the total costs involved and the property not built for resale would limit the size of the loan.

Among different equity fund raising methods, the Directors have focused on evaluating the possibilities of carrying out fund raising through rights issue and open offer as they are relatively larger in scale as compared to placing of new shares under a general mandate. The Rights Issue is pre-emptive in nature, allowing Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation into the Rights Issue, providing an opportunity to all Qualifying Shareholders to participate in the growth of Mega Medical.

The Rights Issue allows the Qualifying Shareholders who participate to:

- (a) increase their interests in the shareholding of Mega Medical by (i) acquiring additional rights entitlement in the open market (subject to availability; and/or (ii) applying through excess applications for Rights Shares; or
- (b) decrease their interests in the shareholding of Mega Medical by disposing their rights entitlements in the open market (subject to availability).

An open offer does not allow the trading of rights entitlements and accordingly, the Rights Issue is preferred.

The Company proposed the Rights Issue to Kaisa Group and other underwriters. The Chairman and executive Director of the Board, Mr. Luo Jun and Chief Executive Officer and executive Director of the Board, Mr. Wu Tianyu, represented the Company in discussions with Kaisa Group regarding the Rights Issue. Over the course of end of June to early July 2017, the Company began negotiations with Kaisa Group, and shortly thereafter also began speaking with other potential underwriters. The other potential underwriters did not indicate interest in acting as underwriter for the Rights Issue. To the best of knowledge of the Board, these potential underwriters have taken conservative positions on fund raising transactions in light of the slump in small-cap listed companies in late June 2017. In view of Kaisa Group being the only currently available option for the Group which is willing to act as the underwriter for the Rights Issue under the proposed terms without charging any underwriting commission, the Directors appointed Kaisa Group as the underwriter for the Rights Issue.

EQUITY FUND RAISING EXERCISE OF MEGA MEDICAL IN THE PAST 12 MONTHS

Mega Medical had not conducted any other equity fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF MEGA MEDICAL

Set out below is the shareholding structure of Mega Medical as at the Latest Practicable Date, and immediately after completion of the Rights Issue:

Shareholders	As at the Latest Practicable Date		Assuming all the Qualifying Shareholders (except Ying Hua) have taken up their respective entitlements of Rights Shares in full		Assuming no Qualifying Shareholders (except Kaisa Group) have taken up any of the Rights Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Kaisa Group (Note 1)	830,949,743	21.72	1,210,599,657	23.73	2,106,352,086	41.29
Ying Hua (Note 1)	308,000,000	8.05	308,000,000	6.04	308,000,000	6.04
Kaisa Group, Ying Hua and parties acting in concert with any of them (Note 1)	1,138,949,743	29.77	1,518,599,657	29.77	2,414,352,086	47.33
Xianjian Advanced Technology Limited (Note 2)	504,000,000	13.17	672,000,000	13.17	504,000,000	9.88
Mr. Wu Tianyu (Note 3)	61,910,000	1.62	82,546,666	1.62	61,910,000	1.21
Other public Shareholders	2,121,347,288	55.44	2,828,463,051	55.44	2,121,347,288	41.58
Total	3,826,207,031	100.00	5,101,609,374	100.00	5,101,609,374	100.00

LETTER FROM THE BOARD

Notes:

1. 830,949,743 Shares are held by Kaisa Group and 308,000,000 Shares are held by Ying Hua, which is a company incorporated in the BVI and is wholly owned by Mr. Kwok who is also an executive director and a substantial shareholder of Kaisa Group.
2. The 504,000,000 Shares are held by Xianjian Advanced Technology Limited, which is a company incorporated in the BVI and is wholly owned by Mr. Xie Yuehui. Mr. Xie Yuehui does not hold any positions in the Company or in Kaisa Group.
3. Ms. Jiang Sisi is the Chief Operating Officer of the Group and also the director of certain subsidiaries of Mega Medical. She is also the spouse of Mr. Wu Tianyu, the Chief Executive Officer of Mega Medical. As at the Latest Practicable Date, each of Ms. Jiang Sisi and Mr. Wu Tianyu holds 112,070,000 Share Options. As such, Ms. Jiang Sisi and Mr. Wu Tianyu were deemed or taken to be interested in the share options of each other for the purposes of the SFO. The aggregate family interest in share options is 224,140,000.
4. As at the Latest Practicable Date, there are outstanding Share Options in respect of 279,040,000 Shares granted and exercisable under the Share Option Scheme. 224,140,000 Share Options were held by Mr. Wu Tianyu and Ms. Jiang Sisi, 8,000,000 Share Options were held by Ms. Wu Ansheng, the sister of Mr. Wu Tianyu and the remaining Share Options are held by employees and consultants, which are counted as public Shareholders. For details regarding the Share Options please refer to the section headed “II. Share Options” in Appendix III — General Information.
5. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.

Upon completion of the Rights Issue, Mega Medical is able to fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

INFORMATION ON THE GROUP AND THE UNDERWRITER

The Company is an investment holding company and the Group is principally engaged in the manufacture of and trading in dental prosthetics.

Kaisa Group is a company incorporated in the Cayman Islands and is listed on the main board of the Stock Exchange (stock code: 1638). Its subsidiaries are principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department store and cultural centre operations, and water-way passenger and cargo transportation in the PRC. As at the Latest Practicable Date, Kaisa Group is interested in 830,949,743 Shares, representing approximately 21.72% of the Shares in issue. Kaisa Group does not underwrite securities in its ordinary course of business.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

Kaisa Group is a substantial Shareholder of Mega Medical and therefore a connected person of Mega Medical. Accordingly, the Underwriting Agreement and the transactions contemplated thereunder constitutes a connected transaction of Mega Medical under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.92(2) of the Listing Rules, as Mega Medical has made arrangements for the Qualifying Shareholders to apply for the Rights Shares in excess of their entitlements under the Rights Issue in compliance with Rule 7.21(1) of the Listing Rules, the Underwriting Agreement is exempted from the reporting, announcement, and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Rights Issue will not increase the issued share capital of Mega Medical nor the market capitalisation of Mega Medical by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under Rule 7.19(6) of the Listing Rules.

Mr. Luo Jun and Mr. Xu Hao are existing employees of Kaisa Group and Mr. Luo Jun and Mr. Xu Hao hold 5,070,000 Share Options and 4,000,000 Share Options of Kaisa Group respectively, and therefore they have abstained from voting on the Board resolutions approving the Rights Issue and the Underwriting Agreement. The Directors (excluding Mr. Luo Jun and Mr. Xu Hao who have abstained from voting on the Board resolutions, but including the independent non-executive Directors) considered that the terms of the Underwriting Agreement are fair and reasonable so far as Mega Medical and the Shareholders are concerned.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Monday, 9 October 2017. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 24 October 2017 to Tuesday, 31 October 2017 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated or rescinded by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Tuesday, 24 October 2017 to Tuesday, 31 October 2017 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date when the conditions of the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter's right of termination or rescission of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Tuesday, 24 October 2017 to Tuesday, 31 October 2017 (both dates inclusive) will accordingly bear the risk that the Rights Issue could not become unconditional or does not proceed. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to commit his/her/its own professional advisers.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully,

By order of the Board
Mega Medical Technology Limited
Luo Jun
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information on the Group for each of the three financial years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.megamedicaltech.com):

- Annual report of the Company for the year ended 31 December 2014:
<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0430/LTN20150430009.pdf>
- Annual report of the Company for the year ended 31 December 2015:
<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN20160428407.pdf>
- Annual report of the Company for the year ended 31 December 2016:
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0410/LTN20170410207.pdf>
- Interim report of the Company for the six months ended 30 June 2017
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0911/LTN20170911213.pdf>

2. FOREIGN EXCHANGE

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

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2017, being the latest practicable date for this statement of indebtedness prior to the printing of this Prospectus, the Group had an amount due to a related party, Ms. Jiang Sisi, of HK\$759,850.

Except as aforesaid, and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, which were either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities at the close of business on 31 August 2017.

4. MATERIAL CHANGE

Save as disclosed below, the Board was not aware of any material change in the financial or trading position or outlook of the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date:

1. as disclosed in the 2017 Interim Report, the Group recorded a profit attributable to the owners of the Company of approximately HK\$6.93 million for the six months ended 30 June 2017, representing a decrease of 27.12% as compared to a profit of approximately HK\$9.51 million for the six months ended 30 June 2016, attributable to the combined effect of the followings:
 - (a) the Company recorded a profit for the period from continuing operation (i.e. dental prosthetics business) of approximately HK\$10.06 million for the six months ended 30 June 2017, representing an increase of 49.90% as compared to the profit of HK\$6.71 million for the six months ended 30 June 2016. Such increase was attributable to the effects of (i) approximate 197.36% increase in other income, gains and losses approximately HK\$3.74 million for the six months ended 30 June 2016 to approximately HK\$11.13 million for the six months ended 30 June 2017; and (ii) approximate 19.06% decrease in administrative expenses from approximately HK\$27.16 million for the six months ended 30 June 2016 to approximately HK\$21.98 million for the six months ended 30 June 2017, being net-off by the approximate 76.49% increase in selling and distribution costs from approximately HK\$13.51 million for the six months ended 30 June 2016 to approximately HK\$23.85 million for the six months ended 30 June 2017;
 - (b) the increment in the profit for the period from the continuing operation is off-set by the loss for the period from discontinued operation. For the six months ended 30 June 2017, the Company recorded a loss from the discontinued operation (i.e. the electronic manufacturing services business) of approximately HK\$3.45 million, whereas the Company recorded a profit of HK\$1.33 million for the six months ended 30 June 2016. Such turnaround effect was owing to the fact that the electronic manufacturing services business of the Group had been discontinued since December 2016. The loss for the period from discontinued operation for the six months ended 30 June 2017 was mainly attributable to the loss on disposal of subsidiaries of approximately HK\$3.37 million.

2. as disclosed in the 2017 Interim Report, for the six months ended 30 June 2017, the Company's total current liabilities decreased by approximately 37.85%, from approximately HK\$72.63 million as at 31 December 2016 to approximately HK\$45.14 million as at 30 June 2017, mainly attributable to the combined effects of (i) approximate 24.10% decrease in trade and other payables and the accrued charges from approximately HK\$48.91 million as at 31 December 2016 to approximately HK\$37.12 million as at 30 June 2017; and (ii) the fact that the liabilities associated with assets classified as held for sale was recorded as at 31 December 2016 as compared to nil liabilities associated with assets classified as held for sale as at 30 June 2017. In this regard, the total liabilities decreased from HK\$79.92 million to HK\$52.34 million, representing an approximate 34.51% decrease; and
3. as disclosed in the 2017 Interim Report, the Company's bank balances and cash decreased by approximately 35.30%, from approximately HK\$64.60 million as at 31 December 2016 to approximately HK\$41.79 million as at 30 June 2017, owing to the fact that the Group has placed HK\$22.6 million in short term investments.

5. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, in the absence of unforeseeable circumstances, taking into account the Group's present internal resources, the available facility and the net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this Prospectus.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group has a business strategy to diversifying its business and further enhancing shareholder value. The Group plans to leverage on the experience and network of the management to capture business and investment opportunities.

The Group is optimistic about the long-term outlook of the dental prosthetics market in the PRC, particularly in view of the rising living standard causing surge in sugar consumption by the citizens and thereby faster dental decay among the general public and the increasing awareness of cosmetics, which together are expected to induce augmenting demand for dental prosthesis. In addition, the dental prosthetics industry on a global scale has been growing positively over the past few years and such trend is likely to continue.

After the acquisition of On Growth Global Development Limited and its subsidiaries, the Group has formulated a number of growth strategies in the dental prosthetics business, including enlarging its sales network in the PRC and foreign markets like the US, expanding its production capacity in the PRC and developing high-end new denture prosthetics products with beauty attributes. In order to develop the dental prosthetics business, which in the view of the Company has strong growth potentials, the Group would continue to devote its resources and efforts to this business going forward.

Apart from the organic growth and sales network integration and consolidation for the dental prosthetics business, the Group will also actively seek investment opportunities in high tech dental-related areas.

As disclosed in the announcement of the Company dated 19 October 2016, United Noble was appointed as the sole and exclusive distributor of the Condor intraoral scanner (also known as 3D Intra Oral Scanner) and other products supplied by Condor International to United Noble (including any of their enhancements or improved versions) in the PRC. The Condor intraoral scanner is a digital instrument to make images of the teeth and inner mouth of the patients. It consists of a scanner handpiece and software which generates files consisting of three-dimensional images of the anatomy of the teeth in hyper realistic colors. These files are then sent to the laboratories where they will be used to make the crown and bridges for the patients. The scanner facilitates CAD/CAM (computer-aided design and computer-aided manufacturing) dentistry. Moreover, it is a versatile tool which enables the dentist to visually communicate with the patients and also enhances the collaboration among peers and other dentists. It enables convenient and quick documentation of dental cases and can be shared to provide vital statistics to the health industry. The distribution of the products in the PRC by United Noble pursuant to an exclusive distribution agreement is subject to obtainment by United Noble of registration and licence from the PRC government to distribute the products in the PRC. The Group expects that CFDA approval in the PRC for the 3D Intra Oral Scanners will be obtained by United Noble by 2018.

On the other hand, in the first half of 2017, the Group has launched a new product, the Mega Clear Aligner, which are our brands for custom-made invisible dental braces. In contrast to traditional orthodontics, Mega Clear Aligner dental braces are invisible, pain-free, suitable for all ages, and can be worn and removed with ease for better patient oral hygiene. Mega Clear Aligner is based on the latest imported technologies, utilizing 3D-printing technology to diagnose, design and produce custom invisible dental braces for each patient. The product materials used for Mega Clear Aligner are certified by the relevant health and safety authorities in the European Union, United States and the PRC. The launch of the Mega Clear Aligner will raise the competitive edge of the Company in the PRC orthodontics market, and also provides support for Mega Medical to enter the international orthodontics market in the future.

Apart from the above, the Group is identifying suitable targets for merger and acquisition and also in negotiation with the Dongguan Municipal Government to acquire a land to construct its own manufacturing base for future expansion. For more details in respect of these developments, please refer to the paragraph headed “Reasons for the Rights Issue and Use of Proceeds” in the section headed “Letter from the Board” of this Prospectus.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

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

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 30 June 2017. As it is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets attributable to owners of the Company upon completion of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 as extracted from the published unaudited interim report of the Company for the six months ended 30 June 2017 and is adjusted for the effect of the Rights Issue.

	Unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2017 <i>(Note 1)</i> <i>HK\$'000</i>	Less: goodwill and intangible assets <i>(Note 2)</i> <i>HK\$'000</i>	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>(Note 3)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of 30 June 2017 as adjusted for the Rights Issue <i>HK\$'000</i>
Based on 1,275,402,343 Rights Shares to be issued	523,495	(359,605)	163,890	507,161	671,051
	<u>523,495</u>	<u>(359,605)</u>	<u>163,890</u>	<u>507,161</u>	<u>671,051</u>
					<i>HK\$</i>
					<u>0.13</u>

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

1. The unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2017 was HK\$523,495,000 as extracted by the Directors from the published unaudited interim report of the Company for the six months ended 30 June 2017.
2. Goodwill and intangible assets of the Group as at 30 June 2017 amounted to HK\$330,805,000 and HK\$28,800,000 respectively as extracted by the Directors from the published unaudited interim report of the Company for the six months ended 30 June 2017.
3. The estimated net proceeds from the Rights Issue are based on 1,275,402,343 Rights Shares at the subscription price of HK\$0.4 per Share amounting to approximately HK\$507,161,000 in aggregate, after deducting the estimated related expenses of approximately HK\$3 million to be incurred by the Company.
4. Assuming that the Rights Issue had been completed on 30 June 2017, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 as adjusted for Rights Issue per Share is calculated based on 5,101,609,374 Shares, comprising 3,826,207,031 Shares in issue as at 30 June 2017 and 1,275,402,343 Rights Shares to be issued.
5. No adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2017.

(B) REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.

Deloitte.

德勤

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Mega Medical Technology Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Mega Medical Technology Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 June 2017 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 20 October 2017 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue (the “**Proposed Rights Issue**”) on the Group's financial position as at 30 June 2017 as if the Proposed Rights Issue had taken place at 30 June 2017. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's published unaudited interim report for the six months ended 30 June 2017, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Control

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

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

Reporting Accountants’ Responsibilities

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

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

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

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2017 would have been as presented.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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

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

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

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

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

Opinion

In our opinion:

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 October 2017

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

(I) Share Capital

The authorised and issued share capital of the Company immediately after completion of the Rights Issue is set out as follows.

Authorised:

		<i>HK\$</i>
<u>160,000,000,000</u>	Shares	<u>200,000,000.00</u>

Issued and fully paid up:

3,826,207,031	Shares	4,782,758.79
<u>1,275,402,343</u>	Rights Shares	<u>1,594,252.93</u>
<u>5,101,609,374</u>	Total	<u>6,377,011.72</u>

No part of the equity or debt securities of the Company is listed or dealt in, nor is listing or permission to deal in the Shares or loan capital of the Company being, or proposed to be, sought on any other stock exchange.

There are no arrangements under which future dividends will be waived or agreed to be waived. As at the Latest Practicable Date, no capital of any member of the Group was under option or agreed conditionally or unconditionally to be put under option.

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

No Shares have been issued since 31 December 2016, being the date on which the latest audited financial statements of the Group were made up.

(II) Share Options

As at the Latest Practicable Date, the Company has outstanding Share Options in respect of 279,040,000 Shares granted and exercisable under the Share Option Scheme.

Name	Number of Share Options held	Number of underlying shares of the Company	Exercisable price	Approximate percentage of the issued share capital of the Company <i>(note 6)</i>
Mr. Wu Tianyu <i>(note 1)</i>	74,070,000 <i>(note 3)</i>	74,070,000	HK\$0.784	1.94%
	38,000,000 <i>(note 4)</i>	38,000,000	HK\$0.40	0.99%
	<u>112,070,000</u>	<u>112,070,000</u>		
Ms. Jiang Sisi <i>(note 1)</i>	74,070,000 <i>(note 3)</i>	74,070,000	HK\$0.784	1.94%
	38,000,000 <i>(note 4)</i>	38,000,000	HK\$0.40	0.99%
	<u>112,070,000</u>	<u>112,070,000</u>		
Employees and consultants	16,900,000 <i>(note 2)</i>	16,900,000	HK\$0.784	0.44%
	38,000,000 <i>(note 4 & 5)</i>	38,000,000	HK\$0.40	0.99%
	<u>54,900,000</u>	<u>54,900,000</u>		
	<u><u>279,040,000</u></u>	<u><u>279,040,000</u></u>		

Note 1: Ms. Jiang Sisi is the Chief Operating Officer of the Group and also the director of certain subsidiaries of the Company. She is also the spouse of Mr. Wu Tianyu. As such, Ms. Jiang Sisi and Mr. Wu Tianyu were deemed or taken to be interested in the share options of each other for the purposes of the SFO. The aggregate family interest in share options is 224,140,000 as at the Latest Practicable Date.

Note 2: These Share Options were granted on 16 June 2015. 25% of the granted Share Options would vest on 16 June 2016 and be exercisable from 16 June 2016 to 15 June 2020. Another 25% of the granted Share Options would vest on 16 June 2017 and be exercisable from 16 June 2017 to 15 June 2020. A further 25% of the granted Share Options would vest on 16 June 2018 and be exercisable from 16 June 2018 to 15 June 2020. The remaining 25% of the granted Share Options would vest on 16 June 2019 and be exercisable from 16 June 2019 to 15 June 2020.

Note 3: These Share Options were granted on 24 July 2015. 25% of the granted Share Options would vest on 16 June 2016 and be exercisable from 16 June 2016 to 15 June 2020. Another 25% of the granted Share Options would vest on 16 June 2017 and be exercisable from 16 June 2017 to 15 June 2020. A further 25% of the granted Share Options would vest on 16 June 2018 and be exercisable from 16 June 2018 to 15 June 2020. The remaining 25% of the granted Share Options would vest on 16 June 2019 and be exercisable from 16 June 2019 to 15 June 2020.

Note 4: These Share Options were granted on 12 September 2016. 30% of the granted Share Options would vest on 12 September 2017 and be exercisable from 12 September 2017 to 11 September 2022. Another 25% of the granted Share Options would vest on 12 September 2018 and be exercisable from 12 September 2018 to 11 September 2022. A further 20% of the granted Share Options would vest on 12 September 2019 and be exercisable from 12 September 2019 to 11 September 2022. A further 15% of the granted Share Options would vest on 12 September 2020 and be exercisable from 12 September 2020 to 11 September 2022. The remaining 10% of the granted Share Options would vest on 12 September 2021 and be exercisable from 12 September 2021 to 11 September 2022.

Note 5: Included in the balance represents 8,000,000 Share Options granted to Ms. Wu Ansheng who is the General Manager and Sales Director of a subsidiary of the Group and a sister of Mr. Wu Tianyu.

Note 6: The percentage figures is based on the number of Shares in issue as at the Latest Practicable Date.

Except for the Rights Shares and save as disclosed above, as at the Latest Practicable Date, no Shares, options, warrants, conversion rights or any equity or debt securities of the Company was outstanding or was proposed to be issued for cash or otherwise and no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any such capital.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding options, warrants, derivatives or other convertible securities in issue which are convertible or exchangeable into Shares.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors, supervisors and chief executive of the Company

As at the Latest Practicable Date, save as disclosed below, none of the Directors or supervisors or chief executive of the Company and their respective associates had or was deemed to have any interests in the long or short positions in the Shares, underlying shares and debentures or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules adopted by the Company, to be notified to the Company and the Stock Exchange.

Long positions in the Shares and the underlying shares of the Company:

(i) Shares of the Company

Name	Capacity/ nature of interest	Number of Shares held	Total interests in the issued share capital (approximately)
Mr. Wu Tianyu	Beneficial owner	61,910,000 (L)	1.62%
Ms. Jiang Sisi	Interest of spouse	61,910,000 (L) (Note 2)	1.62%

Note 1: The Letters “L” denote long position in the Shares.

Note 2: Mr. Wu Tianyu, Chief Executive Officer of the Company, executive Director and spouse of Ms. Jiang Sisi, has personal interests in 61,910,000 Shares.

(ii) **Underlying Shares of the Company through equity derivatives (within the meaning of Part XV of the SFO)**

Under the respective share option schemes of the Company within the meaning of Part XV of the SFO, options may be granted to their respective directors and employees and also to certain eligible participants of the Group as defined in their respective share option schemes to subscribe for their shares. As at the Latest Practicable Date, the following Directors and their associates had personal interests in the following share options granted to them to subscribe for shares in the Company:

Name	Number of Share Options held	Number of underlying shares of the Company	Exercisable price	Approximate percentage of the issued share capital of the Company
Mr. Wu Tianyu (note 1)	74,070,000 (note 2)	74,070,000	HK\$0.784	1.94%
	38,000,000 (note 3)	38,000,000	HK\$0.40	0.99%
	<u>112,070,000</u>	<u>112,070,000</u>		
Ms. Jiang Sisi (note 1)	74,070,000 (note 2)	74,070,000	HK\$0.784	1.94%
	38,000,000 (note 3)	38,000,000	HK\$0.40	0.99%
	<u>112,070,000</u>	<u>112,070,000</u>		

Note 1: Ms. Jiang Sisi is the Chief Operating Officer of the Group and also the director of certain subsidiaries of the Company. She is also the spouse of Mr. Wu Tianyu. As such, Ms. Jiang Sisi and Mr. Wu Tianyu were deemed or taken to be interested in the Share Options of each other for the purposes of the SFO. The aggregate family interest in Share Options is 224,140,000 as at the Latest Practicable Date.

Note 2: These Share Options were granted on 24 July 2015. 25% of the granted Share Options would vest on 16 June 2016 and be exercisable from 16 June 2016 to 15 June 2020. Another 25% of the granted Share Options would vest on 16 June 2017 and be exercisable from 16 June 2017 to 15 June 2020. A further 25% of the granted Share Options would vest on 16 June 2018 and be exercisable from 16 June 2018 to 15 June 2020. The remaining 25% of the granted Share Options would vest on 16 June 2019 and be exercisable from 16 June 2019 to 15 June 2020.

Note 3: These Share Options were granted on 12 September 2016. 30% of the granted Share Options would vest on 12 September 2017 and be exercisable from 12 September 2017 to 11 September 2022. Another 25% of the granted Share Options would vest on 12 September 2018 and be exercisable from 12 September 2018 to 11 September 2022. A further 20% of the granted Share Options would vest on 12 September 2019 and be exercisable from 12 September 2019 to 11 September 2022. A further 15% of the granted Share Options would vest on 12 September 2020 and be exercisable from 12 September 2020 to 11 September 2022. The remaining 10% of the granted Share Options would vest on 12 September 2021 and be exercisable from 12 September 2021 to 11 September 2022.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

(b) Substantial Shareholders and persons having 5% or more shareholding

As at the Latest Practicable Date, the register of substantial shareholders maintained under Section 336 of the SFO shown that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name	Capacity/ Nature of interest	Total number of Shares (<i>Note 1</i>)	Approximate % of the issued share capital in the Company (<i>Note 8</i>)
Kaisa Group (<i>Note 2</i>)	Beneficial owner/Underwriter	2,106,352,086 (L)	55.05%
Ying Hua (<i>Note 3</i>)	Beneficial owner	308,000,000 (L)	8.05%
Mr. Kwok Ying Shing (<i>Note 3</i>)	Interest of controlled corporation	308,000,000 (L)	8.05%
Xianjian Advanced Technology Limited (<i>Note 4</i>)	Beneficial owner	504,000,000 (L)	13.17%
Mr. Xie Yuehui (<i>Note 4</i>)	Interest of controlled corporation	504,000,000 (L)	13.17%

Name	Capacity/ Nature of interest	Total number of Shares (Note 1)	Approximate % of the issued share capital in the Company (Note 8)
Genius Earn Limited (Note 5)	Interest of controlled corporation	256,410,256 (L)	6.70%
Mr. Liu Xiaolin (Note 5)	Interest of controlled corporation	256,410,256 (L)	6.70%
Silver Empire Holding Limited (Note 5)	Beneficial owner	256,410,256 (L)	6.70%
ABG II-RYD Limited (Note 6)	Beneficial owner	270,300,000 (L)	7.06%
Ally Bridge Group Capital Partners II, L.P. (Note 6)	Interest of controlled corporation	270,300,000 (L)	7.06%
ABG Capital Partners II GP, L.P. (Note 6)	Interest of controlled corporation	270,300,000 (L)	7.06%
ABG Capital Partners II GP Limited (Note 6)	Interest of controlled corporation	270,300,000 (L)	7.06%
Mr. Yu Fan (Note 6)	Interest of controlled corporation	270,300,000 (L)	7.06%
View Bright Global Investments Limited (Note 7)	Beneficial owner	240,000,000 (L)	6.27%
Mr. Yan XT Timothy (Note 7)	Interest of controlled corporation	240,000,000 (L)	6.27%

Notes:

- The letters “L” denote long position in the shares of the Company.
- According to the information available to the Company, Kaisa Group is a company incorporated in Cayman Islands and is listed on the main board of the Stock Exchange (stock code: 1638). These Shares comprise (i) the 830,949,743 Shares which are beneficially owned by Kaisa Group prior to the Rights Issue; (ii) the 276,983,247 Rights Shares which Kaisa Group has undertaken to take up pursuant to the Irrevocable Undertaking by Kaisa Group; and (iii) the 998,419,096 Rights Shares which Kaisa Group is interested under the Underwriting Agreement on the assumption that there is no other acceptance by the Qualifying Shareholders under the Rights Issue.
- According to the information available to the Company, Ying Hua is a company incorporated in the BVI and is wholly owned by Mr. Kwok Ying Shing who is also an executive director and a substantial shareholder of Kaisa Group (Note 2).
- According to the information available to the Company, Xianjian Advanced Technology Limited is a company incorporated in the BVI and is wholly owned by Mr. Xie Yuehui.
- According to the information available to the Company, Silver Empire Holding Limited is wholly owned by Genius Earn Limited. Genius Earn Limited is wholly owned by Mr. Liu Xiaolin.

6. According to the information available to the Company, ABG II-RYD Limited is wholly owned by Ally Bridge Group Capital Partners II, L.P.. Ally Bridge Group Capital Partners II, L.P.'s general partner is ABG Capital Partners II GP, L.P. and Ally Bridge Group Capital Partners II, L.P. is also 0.91% owned by ABG Capital Partners II GP, L.P.. ABG Capital Partners II GP, L.P. is 50% owned by Mr. Yu Fan and 50% owned by ABG Capital Partners II GP Limited which is wholly owned by Mr. Yu Fan.
7. According to the information available to the Company, View Bright Global Investments Limited is wholly owned by Mr. Yan XT Timothy.
8. The percentage figures are based on the number of Shares in issue as at the Latest Practicable Date.

Save (i) as disclosed above; and (ii) the Underwriter's interest in the Underwritten Shares, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had any other interests or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACTS

Mr. Luo Jun ("Mr. Luo")

Mr. Luo, an executive director of the Company and chairman of the Board, entered into a service contract with effect from 2 December 2016. The service contract of Mr. Luo contains, inter alia, the following terms:

- (a) the contract is for a term of three (3) years which is subject to the provisions of retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company; and
- (b) Mr. Luo shall be entitled to an annual remuneration of HK\$600,000.

Mr. Xu Hao ("Mr. Xu")

Mr. Xu, a non-executive director of the Company, entered into a service contract with effect from 2 December 2016. The service contract of Mr. Xu contains, inter alia, the following terms:

- (a) the contract is for a term of three (3) years which is subject to the provisions of retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company; and
- (b) Mr. Xu shall be entitled to an annual remuneration of HK\$400,000.

Dr. Liu Yanwen (“Dr. Liu”)

Dr. Liu, an independent non-executive director of the Company, entered into a service contract with effect from 11 January 2017. The service contract of Dr. Liu contains, inter alia, the following terms:

- (a) the contract is for a term of two (2) years which is subject to the provisions of retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company; and
- (b) Dr. Liu shall be entitled to an annual remuneration of HK\$180,000.

Mr. Guo Peineng (“Mr. Guo”)

Mr. Guo, an independent non-executive director of the Company, entered into a service contract with effect from 11 January 2017. The service contract of Mr. Guo contains, inter alia, the following terms:

- (a) the contract is for a term of two (2) years which is subject to the provisions of retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company; and
- (b) Mr. Guo shall be entitled to an annual remuneration of HK\$180,000.

Mr. Wang Wansong (“Mr. Wang”)

Mr. Wang, an independent non-executive director of the Company, entered into a service contract with effect from 11 April 2017. The service contract of Mr. Wang contains, inter alia, the following terms:

- (a) the contract is for a term of two (2) years which is subject to the provisions of retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company; and
- (b) Mr. Wang shall be entitled to an annual remuneration of HK\$180,000.

Save as disclosed above, as at the Latest Practicable Date,

- (i) none of the Directors has any existing or proposed service contracts with any member of the Group which is not expiring or determinable by the Group within one (1) year without payment of any compensation, other than statutory compensation;
- (ii) there were no service contracts between any of the Directors and the Company or any of its subsidiaries or associated companies which are continuous contracts with a notice period of 12 months or more; and

- (iii) there were no service contracts between any of the Directors and the Company or any of its subsidiaries or associated companies which are fixed term contracts with more than 12 months to run irrespective of the notice period.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company).

6. MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in the assets which had been, since 31 December 2016, being the date to which the latest published audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2016, being the date to which the latest audited consolidated accounts of the Company have been made up), or were proposed to be acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2016, being the date to which the latest audited consolidated accounts of the Company have been made up).

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2016, being the date to which the latest audited consolidated accounts of the Company have been made up).

7. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$3.0 million, which are payable by the Company.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two (2) years immediately preceding and including the Latest Practicable Date and are or may be material:

- a. the Underwriting Agreement; and
- b. the subscription agreement dated 19 October 2016 entered into between United Noble as subscriber and Condor International NV as issuer in relation to the 5% convertible bonds in the aggregate principal amount of EUR5,000,000.

10. QUALIFICATION AND CONSENT OF EXPERT

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

Name	Qualification
Deloitte Touche Tohmatsu	Certified public accountant

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letters, reports and/or opinion, as the case may be, and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have, directly or indirectly, any interest in any assets which had since 31 December 2016 (being the date to which the latest published consolidated audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

11. CORPORATE INFORMATION

Registered Office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business in Hong Kong	Suite 2016A 20/F, Two International Finance Centre 8 Finance Street, Central Hong Kong
Authorised representatives	Mr. Wu Tianyu Suite 2016A 20/F, Two International Finance Centre 8 Finance Street, Central Hong Kong Mr. Lam Wai Fung, Dominic Suite 2016A 20/F, Two International Finance Centre 8 Finance Street, Central Hong Kong
Company secretary	Mr. Lam Wai Fung, Dominic Fellow member of the Hong Kong Institute of Certified Public Accountants
Legal adviser to the Company	As to Hong Kong law: Sidley Austin 39/F, Two International Finance Centre 8 Finance Street, Central Hong Kong
Auditor and reporting accountant	Deloitte Touche Tohmatsu Certified Public Accountants 35/F One Pacific Place 88 Queensway Hong Kong

Underwriter	Kaisa Group Holdings Ltd. Suite 2001 20/F, Two International Finance Centre 8 Finance Street, Central Hong Kong
Principal share register in Bermuda	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Branch share register in Hong Kong	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	Nanyang Commercial Bank, Limited Bank of China (Hong Kong) Limited
Financial adviser to the Company	Great Wall Pan Asia Corporate Finance Limited Units 03, 05-06, 65/F. The Centre 99 Queen's Road Central Hong Kong

12. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

a. Name and address

Name

Correspondence Address

Executive Directors

Mr. Luo Jun

Suite 2016A
20/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Mr. Wu Tianyu

Suite 2016A
20/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Non-executive Director

Mr. Xu Hao Suite 2016A
20/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Independent non-executive Directors

Dr. Liu Yanwen Suite 2016A
20/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Mr. Guo Peineng Suite 2016A
20/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Mr. Wang Wansong Suite 2016A
20/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

b. Qualification and position held*Executive Directors*

Mr. Luo Jun, aged 37, was appointed as chairman of the Board and executive Director on 2 December 2016. Mr. Luo is currently acting as the vice president of Kaisa Group. He also holds various senior positions within the Kaisa Group, mainly engaging in commerce, hotel and tourism, and catering services. Mr. Luo joined Kaisa Group in August 2007. Prior to joining Kaisa Group, he has worked at 深圳世聯行地產顧問股份有限公司 (Shenzhen Worldunion Real Estate Co., Ltd.*) and 深圳市英聯國際不動產公司 (Shenzhen Inland International Real Estate Co., Ltd.*) engaging in operational planning. Mr. Luo obtained his Bachelor Degree in Management from Nanjing University of Finance & Economics in 2003.

Mr. Wu Tianyu, aged 53, was appointed as chief executive officer of the Company and executive Director on 21 May 2015. He also serves as chairman of the nomination committee of the Board and member of the remuneration committee of the Board. Mr. Wu is currently a director of On Growth Global Development Limited and Royal Dental Laboratory Limited and the general manager of Shenzhen Jinyouran Technology Company Limited, all of which are the subsidiaries of the Company. He has approximately 29 years of experience in denture profession. Mr. Wu obtained a bachelor degree in Department of Stomatology of The Fourth Military Medical University. In his early years, Mr. Wu had developed extensive experience in stomatology and reparative surgery as a clinician in a hospital in Qingdao, the PRC for more than 7 years, during which various research articles had been pronounced by Mr. Wu in various famous professional research magazines. Mr. Wu has been the key operators of the denture business of the companies for approximately 20 years, with Mr. Wu overseeing the production of the denture products and the daily operations. In 1999, Mr. Wu went to the United States for studying dental prosthetics technology and successfully developed a number of patents and trademarks, including the name of MEGA, which has become a well-known brand name in the PRC and overseas markets. Mr. Wu is also the spouse of Ms. Jiang Sisi, the Chief Operating Officer of the Group and director of certain subsidiaries of the Company and the brother of Ms. Wu Ansheng, the General Manager and Sales Director of a subsidiary of the Group.

Non-executive Director

Mr. Xu Hao, aged 33, was appointed as non-executive Director on 2 December 2016. Mr. Xu is currently acting as the assistant president of Kaisa Group (International) Holdings Co. Ltd., a wholly owned subsidiary of Kaisa. Mr. Xu joined Kaisa Group in August 2015, and has been mainly responsible for Kaisa Group's offshore financing, investments and capital market related activities. Prior to joining Kaisa Group, he has worked at The Royal Bank of Scotland Group PLC, 廣州方圓地產有限公司 (Guangzhou Fineland Real Estate Group Holdings Ltd.*) and Verdant Capital Group Limited, all of which are mainly engaged in direct investment, structured finance and capital market related activities. Mr. Xu has over 10 years of experience in that industry. Mr. Xu obtained his Bachelor of Science Degree in Accounting and Finance from the London School of Economics and Political Science and his Master of Philosophy Degree in Real Estate Finance from Cambridge University.

Independent non-executive Directors

Dr. Liu Yanwen, aged 52, was appointed as independent non-executive Director and chairman of the audit committee of the Board on 11 January 2017. Dr. Liu obtained his Doctorate degree in Technical Economics and Management from Dalian University of Technology in 2009. He is currently the associate professor in the Faculty of Management and Economics of the Dalian University of Technology. Dr. Liu has acted as the independent non-executive director of each of 沈陽萃華金銀珠寶股份有限公司 (Shenyang Cuihua Gold and Silver Jewelry Co., Ltd.*), a PRC incorporated company listed on the Shenzhen Stock Exchange (stock code: 002731), 撫順特殊鋼股份有限公司 (Fushun Special Steel Co., Ltd.*), a PRC incorporated company listed on the Shanghai Stock Exchange (stock code: 600399) and 吉林化纖股份有限公司 (Jilin Hua Xian Co., Ltd.*), a PRC incorporated company listed on the Shenzhen Stock Exchange (stock code: 000420).

Mr. Guo Peineng, aged 46, was appointed as independent non-executive Director, chairman of the remuneration committee of the Board and member of the audit committee and the nomination committee of the Board on 23 January 2017. Mr. Guo obtained his diploma in Law in the Sichuan University in June 2005. Mr. Guo worked in various PRC government organizations including the Public Security Bureau in Jieyang City of the Guangdong Province and the Traffic Department in Shenzhen from September 1994 to June 2013. From June 2013 to April 2016, Mr. Guo worked in 深圳市泰騰材料貿易有限公司 (Shenzhen Taiteng Material Trading Limited Company*), a PRC incorporated company, as chairman and general manager. He is currently the chairman and general manager of 深圳市錦祥盛投資控股有限公司 (Shenzhen Jin Xiang Sheng Investment Holdings Limited*), a PRC incorporated company.

Mr. Wang Wansong, aged 47, was appointed as independent non-executive Director and member of the audit committee, the remuneration committee and the nomination committee of the Board on 11 April 2017. Mr. Wang obtained his bachelor degree in Biology from the Peking University. Mr. Wang is currently working as a senior researcher at 深圳市國家高技術產業創新中心 (State High-Tech Industrial Innovation Center, Shenzhen*). Prior to that, Mr. Wang worked in several governmental bodies in the People's Republic of China and in a commercial organisation for over 20 years. He has extensive experiences in policies formulation and implementation for high tech industrial development and construction in Shenzhen, and also in technological innovation, achievements transformation, and projects implementation and co-ordination for high tech bio-pharmaceutical industry and medical device industry. Mr. Wang is currently an independent non-executive director of Lifetech Scientific Corporation (stock code: 1302), a company listed on the Stock Exchange.

13. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Lam Wai Fung, Dominic. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants, a chartered financial analyst of the Chartered Financial Analyst Institute and a certified financial risk manager of the Global Association of Risk Professionals.
- (ii) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company is at Suite 2016A, 20/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (iii) The registered office of Kaisa Group is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The directors of Kaisa Group are executive directors, Mr. Kwok Ying Shing, Mr. Sun Yuenan, Mr. Zheng Yi, Mr. Yu Jianqing and Mr. Mai Fan; non-executive Director, Ms. Chen Shaohuan; and independent non-executive Directors, Mr. Zhang Yizhao, Mr. Rao Yong and Mr. Liu Xuesheng. Kaisa Group is owned as to approximately 10.85% by Funde Sino Life Insurance Co., Ltd., approximately 14.83% by Funde Resources Investment Holding Group Company Limited which is wholly owned by Funde Sino Life Insurance Co., Ltd., approximately 14.08% by Da Zheng Investment Company Limited which is wholly owned by Mr. Kwok Ying Chi, approximately 14.08% by Da Feng Investment Company Limited and approximately 10.45% by Da Chang Investment Company Limited, both of which are wholly owned by Mr. Kwok Ying Shing, and approximately 35.71% by other public shareholders.
- (iv) The registered office of Ying Hua is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Ying Hua is wholly owned by Mr. Kwok, who is also the sole director.
- (v) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (vi) The English text of this Prospectus shall prevail over the Chinese text in the event of inconsistency.

14 BINDING EFFECT

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

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “Qualification and consent of expert” in this Appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Suite 2016A, 20/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours during the period of 14 days from the date of this Prospectus:

- a. the memorandum of association and the bye-laws of the Company;
- b. the annual reports of the Company for the two financial years ended 31 December 2015 and 31 December 2016;
- c. the interim report of the Company for the six months ended 30 June 2017;
- d. the annual reports of the Underwriter for the two financial years ended 31 December 2015 and 31 December 2016;
- e. the Irrevocable Undertaking by Kaisa Group;
- f. the Irrevocable Undertaking by Ying Hua;
- g. the unaudited Pro Forma Financial Information of the Group as set out in Appendix II of this Prospectus;
- h. the written consents referred to in the paragraph under the heading “Qualification and consent of expert” in this appendix;
- i. the service contracts referred to in the paragraph under the heading “Service contracts” in this appendix;
- j. the material contracts referred to in the paragraph under the heading “Material contracts” in this appendix;
- k. this Prospectus; and
- l. the Circular.