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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in ALTUS HOLDINGS LIMITED (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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*This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*

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# ALTUS.

## ALTUS HOLDINGS LIMITED

### 浩德控股有限公司

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8149)

## GRANT OF SHARE AWARDS TO SELECTED EMPLOYEES; CONNECTED TRANSACTION GRANT OF SHARE AWARDS TO A CONNECTED PERSON; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders

The logo for Rainbow Capital (HK) Limited, featuring the word "RAINBOW." in white capital letters on a dark rectangular background.

RAINBOW CAPITAL (HK) LIMITED  
泓博資本有限公司

A letter from the Board (as defined herein) is set out on pages 5 to 14 of this circular. A letter from the Independent Board Committee (as defined herein) containing its advice to the Independent Shareholders (as defined herein) is set out on page 15 of this circular. A letter from Rainbow Capital (HK) Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 30 of this circular.

A notice convening the EGM (as defined herein) to be held at Artyzen Club at 401A, 4/F Shun Tak Centre (near China Merchant Tower), 200 Connaught Road Central, Hong Kong at 10:00 a.m. on Friday, 7 August 2020 or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, is set out on pages 38 to 40 of this circular.

A form of proxy for use by the Independent Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire.

*This circular will remain on the “Latest Company Announcements” page of GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company's website at [www.altus.com.hk](http://www.altus.com.hk).*

#### PRECAUTIONARY MEASURES FOR THE EGM

In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of the Shareholders, the Company will implement the following precautionary measures at the EGM:

- compulsory body temperature checks
- compulsory wearing of surgical face masks
- no provision of refreshments and corporate gifts

Any person who does not comply with the precautionary measures will be denied entry into the EGM venue. All attendees are requested to wear surgical face masks at all times at the EGM venue. Shareholders are encouraged to exercise their voting rights at the EGM by appointing the chairman of the EGM as proxy to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.

23 July 2020

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## PRECAUTIONARY MEASURES FOR THE EGM

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In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders (as defined in this circular), staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attending Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person found to be suffering from a fever or otherwise unwell will be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) Shareholders that (a) have travelled, and have been in close contact with any person who has travelled, outside of Hong Kong (as per guidelines issued by the Hong Kong Government at [www.chp.gov.hk/en/features/102742.html](http://www.chp.gov.hk/en/features/102742.html)) at any time in the preceding 14 days; (b) are, and have been, in close contact with any person who is subject to any Hong Kong Government prescribed compulsory quarantine (including home quarantine); (c) are, and have been, in close contact with anyone who has contracted COVID-19, has been tested preliminarily positive of COVID-19 or is suspected of contracting COVID-19; or (d) have any flu-like symptoms, may be denied entry into the EGM venue and be asked to leave the EGM venue.
- (iii) All attendees are requested to wear surgical face masks at the EGM venue at all times, and to maintain a safe distance with other attendees. Any person who does not comply with this requirement may be denied entry into the EGM venue and be asked to leave the venue. Please note that no masks will be provided at the EGM venue and attendees should wear their own masks.
- (iv) No refreshments and corporate gifts will be provided.

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and in response to the recent guidelines on prevention and control of COVID-19 pandemic, Shareholders are reminded that **physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by completing form of proxy in accordance with the instructions printed thereon, Shareholders may appoint the chairman of the EGM as proxy to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.**

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## DEFINITIONS

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*In this circular, unless the content requires otherwise, the following expressions have the following meanings:*

“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associates”	has the meaning ascribed to such term in the GEM Listing Rules
“Awarded Shares”	an aggregate of 3,830,000 Shares to be allotted and issued by the Company to the Grantees pursuant to the Share Awards
“Board”	the board of Directors
“Company”	Altus Holdings Limited 浩德控股有限公司, a company incorporated in the Cayman Islands as an exempted limited liability company, the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8149)
“Connected Grant”	the conditional grant of 1,600,000 Awarded Shares to Ms. Khoo
“Connected Grant Specific Mandate”	the specific mandate in respect of the allotment and issue of Awarded Shares to Ms. Khoo
“connected person”	has the meaning ascribed to under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Duration”	the period whereby the Share Awards shall be valid and effective with effect from the Effective Date until the earlier of 31 December 2022 or such date of early termination as may be determined by the Board
“Effective Date”	the date on which the Share Awards become unconditional upon the fulfilment of the conditions set out in the deeds of grant

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be convened and held at Artyzen Club at 401A, 4/F Shun Tak Centre (near China Merchant Tower), 200 Connaught Road Central, Hong Kong at 10:00 a.m. on Friday, 7 August 2020 or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, to consider and, if appropriate, to approve the resolutions contained in the EGM Notice which is set out on pages 38 to 40 of this circular, or any adjournment thereof
“EGM Notice”	the notice convening the EGM as set out on pages 38 to 40 of this circular
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Grant to Selected Employees”	the conditional grant of 2,230,000 Awarded Shares to the Selected Employees
“Grantee(s)”	the party(ies) being granted with the Share Awards by the Company under the deeds of grant
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollar, being the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, namely Mr. Chao Tien Yo, Mr. Chan Sun Kwong and Mr. Lee Shu Yin, established for the purpose of advising the Independent Shareholders in respect of the Connected Grant and the Connected Grant Specific Mandate

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## DEFINITIONS

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“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a licensed corporation permitted to engage in Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Connected Grant and the Connected Grant Specific Mandate
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the resolutions to be proposed at the EGM under the Articles of Association and the GEM Listing Rules
“Independent Third Parties”	persons or entities who/which are independent of and not connected with (within the meaning of the GEM Listing Rules) the Company
“Issue Dates”	the dates of allotment and issue of the Awarded Shares
“Lapse”	the event where the entitlement to any Awarded Shares, to the extent not already vested, is lapsed
“Latest Practicable Date”	17 July 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Ms. Khoo”	Ms. Khoo Wing Pui Charlotte, an executive director of a wholly-owned subsidiary of the Group and a Grantee
“Selected Employees”	11 employees of the Group who are Grantees
“Selected Employees Specific Mandate”	the specific mandate in respect of the allotment and issue of Awarded Shares to Selected Employees
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Share Awards”	the award of the Awarded Shares pursuant to the deeds of grant
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares in the share capital of the Company with a nominal value of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Vesting Date(s)”	the specific date(s) set out in the deeds of grant on which the Share Awards shall be vested
“2018 Share Awards”	the previous share awards where Ms. Khoo and one of the Selected Employees were granted 4,800,000 Shares in aggregate
“2018 Share Awards Circular”	the circular of the Company dated 20 July 2018 relating to the 2018 Share Awards
“2019 Share Awards”	the previous share awards where Ms. Khoo and eight of the selected employees were granted 1,940,000 Shares in aggregate
“2019 Share Awards Circular”	the circular of the Company dated 22 July 2019 relating to the 2019 Share Awards
“%”	per cent.



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LETTER FROM THE BOARD

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ALTUS  
ALTUS HOLDINGS LIMITED  
浩德控股有限公司

*(incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 8149)

*Executive Directors:*

Mr. Arnold Ip Tin Chee (*Chairman*)  
Mr. Chang Sean Pey  
Ms. Leung Churk Yin Jeanny

*Independent non-executive Directors:*

Mr. Chao Tien Yo  
Mr. Chan Sun Kwong  
Mr. Lee Shu Yin

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

21 Wing Wo Street  
Central  
Hong Kong

*To the Shareholders*

23 July 2020

Dear Sir/Madam,

**GRANT OF SHARE AWARDS TO SELECTED EMPLOYEES AND  
CONNECTED TRANSACTION  
GRANT OF SHARE AWARDS TO A CONNECTED PERSON**

**INTRODUCTION**

On 26 June 2020, the Board has resolved to award conditionally an aggregate of 3,830,000 Awarded Shares to 12 Grantees for the purposes of recognising and rewarding their contributions, as well as retaining and motivating them for the continual operation and development of the Group.

One of the Grantees is an executive director of a wholly-owned subsidiary of the Group, and is therefore a connected person of the Company at the subsidiary level. Accordingly, such Connected Grant constitutes a non-exempt connected transaction under the GEM Listing Rules and is subject to reporting, announcement, independent financial advice and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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The Awarded Shares will be issued and allotted to the Grantees pursuant to specific mandates under Rule 17.39(1) of the GEM Listing Rules, where (i) 2,230,000 Awarded Shares have conditionally been awarded to the Selected Employees; and (ii) 1,600,000 Awarded Shares have conditionally been awarded to Ms. Khoo. The Awarded Shares under the Grant to Selected Employees will be issued under the Selected Employees Specific Mandate while the Awarded Shares under the Connected Grant will be issued under the Connected Grant Specific Mandate.

The grant of Share Awards is not pursuant to a share option scheme under Chapter 23 of the GEM Listing Rules. None of the Directors has a material interest in such Share Awards and therefore no Director was required to abstain from voting on the board resolutions approving (i) the Grant to Selected Employees and the Selected Employees Specific Mandate; and (ii) the Connected Grant and the Connected Grant Specific Mandate. As far as the Directors are aware, as at the Latest Practicable Date, Ms. Khoo held 1,120,000 Shares and is required to abstain from voting on the resolution for the approval of Connected Grant and Connected Grant Specific Mandate. Eight of the Selected Employees held in aggregate 1,600,000 Shares and elected to abstain from voting on the resolution for the approval of the Selected Employees Specific Mandate at the EGM. Saved as disclosed above, no Shareholder is required to abstain from voting on the resolutions for the approval of the Selected Employees Specific Mandate, Connected Grant and Connected Grant Specific Mandate at the EGM. If Ms. Khoo or any Selected Employees subsequently hold Shares at the date of the EGM, he/she shall abstain from voting on the relevant resolutions at the EGM.

The Independent Board Committee has been established to advise Independent Shareholders on the resolution to be proposed at the EGM in connection with the Connected Grant and the Connected Grant Specific Mandate. Rainbow Capital has been appointed by the Company as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the above matters.

The purpose of this circular is to provide you with details of the Share Awards, the Selected Employees Specific Mandate, the Connected Grant and the Connected Grant Specific Mandate and to seek your approval of the ordinary resolutions set out in the EGM Notice on pages 38 to 40 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Connected Grant and the Connected Grant Specific Mandate is set out on page 15 of this circular. The letter from Rainbow Capital to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the Connected Grant and the Connected Grant Specific Mandate is set out on pages 16 to 30 of this circular.

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## LETTER FROM THE BOARD

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### SHARE AWARDS

Set out below are the particulars of the deeds of grant:

#### 1. Date and parties to the deeds of grant

Date: 26 June 2020

##### *Grant to Selected Employees*

Parties: The Company, as grantor  
The Selected Employees, as grantee(s)

Apart from the fact that they are employees, these Selected Employees are Independent Third Parties.

##### *Connected Grant*

Parties: The Company, as grantor  
Ms. Khoo, as grantee

Ms. Khoo is an executive director of a wholly-owned subsidiary of the Group, and is a connected person of the Company at the subsidiary level.

As Ms. Khoo is a connected person of the Company at the subsidiary level, the Connected Grant constitutes a non-exempt connected transaction and is subject to reporting, announcement, independent financial advice and independent shareholders' approval requirements under the GEM Listing Rules. Prior to this Connected Grant, Ms. Khoo has previously been awarded with 3,150,000 Shares, details of which are set out in the 2018 Share Awards Circular and 2019 Share Awards Circular. Of the above 1,120,000 Shares from 2018 Share Awards has been vested and issued to Ms. Khoo. Of the remaining 2,030,000 Shares granted from 2018 and 2019 Share Awards, 1,390,000 and 640,000 Shares may be vested on 31 December 2020 and 31 December 2021 respectively.

#### 2. Purpose

The Share Awards have been granted to recognise and reward the contributions made by the Grantees and to retain and motivate them for the continual operation and development of the Group.

#### 3. Duration

The Share Awards shall be valid and effective for the period from the date the Share Awards become unconditional until the termination date which is the earlier of the Duration. Termination shall not affect any subsisting rights of the Grantees under the Share Awards saved as mentioned in paragraph 8 below.

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## LETTER FROM THE BOARD

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### **4. Administration**

The Share Awards shall be subject to the administration of the Board. The Company shall comply with all applicable disclosure requirements in relation to the administration of the Share Awards, including without limitation to those imposed by the GEM Listing Rules from time to time.

### **5. Conditions**

The Share Awards under the Grant to Selected Employees are conditional upon (i) the Company having obtained from the Stock Exchange a grant of the listing of, and permission to deal in, the Awarded Shares; (ii) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Selected Employees Specific Mandate; and (iii) the relevant Grantees having obtained all necessary consents and approvals that may be required to enable him/her to accept the Share Awards. If these conditions are not satisfied on or before 31 December 2020, the Share Awards under the Grant to Selected Employees shall forthwith be terminated and the relevant Grantees shall not be entitled to any rights or benefits or be under any obligations under or in respect of the Share Awards.

The Share Award under the Connected Grant to Ms. Khoo is conditional upon (i) the Company having obtained from the Stock Exchange a grant of the listing of, and permission to deal in, the Awarded Shares; (ii) approval of the Connected Grant and the Connected Grant Specific Mandate by the Independent Shareholders at the EGM; and (iii) Ms. Khoo having obtained all necessary consents and approvals that may be required to enable her to accept the Share Awards. If these conditions are not satisfied on or before 31 December 2020, the Share Awards under the Connected Grant shall forthwith be terminated and Ms. Khoo shall not be entitled to any rights or benefits or be under any obligations under or in respect of the Share Awards.

At the time of preparing the Connected Grant and the Grant to Selected Employees, the Company took a conservative view on the duration that may be required to prepare/process the subject matter and, has therefore built in ample time for the satisfaction of the conditions precedent up to 31 December 2020. As the EGM is expected to be convened on 7 August 2020, the conditions precedent are anticipated to be satisfied within one month after passing the relevant resolutions at the EGM.

### **6. Vesting and allotment of Shares**

Upon vesting, the Grantees will have an unconditional right to obtain the Awarded Shares. For the deed of the Connected Grant, the vesting of the 480,000 and 1,120,000 Awarded Shares to Ms. Khoo will take place on 31 December 2021 and 31 December 2022 respectively. Out of the 11 Grants to Selected Employees, the vesting of 300,000 Awarded Shares and 640,000 Awarded Shares under one deed of grant will take place on 31 December 2021 and 2022 respectively, while for the remaining 10 deeds of grant, the vesting of 450,000 Awarded Shares and 840,000 Awarded Shares (in aggregate) will take place on 31 December 2020 and 2021 respectively.

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## LETTER FROM THE BOARD

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The Grantees shall take procedures reasonably required by the Company to effect the allotment and issue of the Awarded Shares. The Company shall allot and issue the Awarded Shares on the Issue Dates (as defined in the relevant deed of grant) as determined by the Company at its discretion, which date in any case shall not be later than one calendar month from the relevant Vesting Dates (as defined in the relevant deed of grant).

The Awarded Shares to be issued and allotted to the Grantees shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Issue Date. The Awarded Shares entitle the Grantees to participate in all cash income or other distributions paid or made after the relevant Issue Dates, but not in any cash income or distributions previously declared, recommended to be paid or made before the relevant Issue Dates.

### 7. Adjustments

In the event of any alteration in the capital structure of the Company whilst any part of the Share Awards remain outstanding, whether by way of capitalisation of profits or reserves, rights issue or other offer of securities to its Shareholders (including any securities convertible into share capital or warrants or options to subscribe for any share capital of the Company), consolidation, subdivision or reduction of the share capital of the Company (excluding any alteration in the capital structure of the Company as a result of an issue of Shares pursuant to, or in connection with, any share option scheme, share appreciation rights scheme or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any employee, consultant or adviser to the Group) or in the event of any distribution of the Company's legal assets to its Shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to its Shareholders for each financial year of the Company (each an "**Adjustment Event**"), then, in any such case (other than in the case of capitalisation of profits or reserves), the Company shall, prior to the relevant Issue Dates, inform the Grantees in writing of (i) the Adjustment Event(s) which have occurred on or prior to the relevant Issue Dates; and (ii) the adjustment to be made to the number of Awarded Shares to be allotted on the relevant Issue Dates subject to the Award ("**Adjustment**"), provided that:

- (a) no Adjustment shall be made if the effect of which would increase the proportion of the issued share capital of the Company for which the relevant Grantee would have been entitled had all outstanding and unvested Awarded Shares become vested immediately prior to such Adjustment, to more than the proportion of Awarded Shares for such relevant Grantee to the total issued shares of the Company as at the date of the relevant deed of grant; and
- (b) the issue of Shares as consideration in a transaction shall not be regarded as a circumstance requiring any Adjustment.

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## LETTER FROM THE BOARD

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### 8. Lapse

In the event that the Grantee ceases to be an employee of the Group, or by reasons of, amongst others, death, his or her becoming bankrupt, commitment of any fraud, dishonesty or serious misconduct, having been convicted of any criminal offenses, then his/her entitlements to any Awarded Shares, to the extent not already vested, shall lapse forthwith and all the unvested Awarded Shares shall be deemed to be forfeited.

### 9. Alteration

The Share Awards may be altered in any respect by a resolution by the Board (and a resolution by Shareholders at general meeting, if approvals are required for such alteration(s) under the laws and/or the applicable GEM Listing Rules at that time) provided that no such alteration shall operate to affect adversely the terms of the Share Awards and the subsisting rights of the Grantees prior to such alteration unless consent in writing of the Grantees is obtained.

### MAXIMUM NUMBER OF AWARDED SHARES TO BE ISSUED AND LISTING APPLICATION

The total number of Awarded Shares which may be issued and allotted to the Grantees by the Company pursuant to the Share Awards granted in 2020 shall not in aggregate exceed 0.47875% of the issued share capital of the Company (that is initially based on 3,830,000 Shares under the Share Awards and 800,000,000 Shares in issue on the date of the relevant deeds of grants (i.e. 26 June 2020)).

The Awarded Shares to be issued for cash at par to be paid out of internal resources as expenses of the Company with no payment required of the Grantees shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Issue Dates. The Awarded Shares entitle the Grantees to participate in all cash income or other distributions paid or made after the relevant Issue Dates, but not in any cash income or distributions previously declared, recommended to be paid or made before the relevant Issue Dates.

The Company shall comply with the applicable GEM Listing Rules upon issuing the Awarded Shares.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Awarded Shares to be issued.

In the event of the Adjustments provided in the relevant deeds of grant, the number of shares of the Company to be issued and allotted eventually under the Share Awards granted in 2020 may exceed 3,830,000. However, (a) no Adjustment shall be made if the effect of which would increase the proportion of the issued share capital of the Company for which the Grantees would have been entitled had all outstanding and unvested Awarded Shares become vested immediately prior to such Adjustment, to more than 0.47875% (being the proportion of

## LETTER FROM THE BOARD

Awarded Shares for the Grantees to the total issued shares of the Company as at 26 June 2020, the date of the relevant deeds of grant); and (b) the issue of Shares as consideration in a transaction shall not be regarded as a circumstance requiring any Adjustment.

Also, the Company will apply for the listing of the additional shares of the Company to be issued and allotted as a result of the Adjustments.

As at the Latest Practicable Date, 6,740,000 Shares in aggregate have been granted under the 2018 Share Awards and 2019 Share Awards to (i) Ms. Khoo and (ii) eight selected employees who are independent of and not connected with the Company within the meaning of the GEM Listing Rules. Of the above, 2,390,000 Shares have been vested and issued to respective employees. The remaining 4,350,000 Shares, representing 0.54375% of the issued share capital of the Company as at the Latest Practicable Date may be issued and allotted. Details are set out in the 2018 Share Awards Circular and 2019 Share Awards Circular respectively.

The table below illustrates the shareholding of the Company as at the Latest Practicable Date and assuming all the Awarded Shares (and Shares from 2018 Share Awards and 2019 Share Awards) have been issued and allotted to the Grantees:

Name of Shareholders	Assuming all the Awarded Shares (and Shares from 2018 Share Awards and 2019 Share Awards) have been issued to the Grantees							
	As at Latest Practicable Date		As at 31 December 2020		As at 31 December 2021		As at 31 December 2022	
	No. of Shares	Approximate percentage of the total issued share capital %	No. of Shares	Approximate percentage of the total issued share capital %	No. of Shares	Approximate percentage of the total issued share capital %	No. of Shares	Approximate percentage of the total issued share capital %
<b>Executive Directors</b>								
Mr. Arnold Ip Tin Chee and his associates ( <i>Note</i> )	562,200,000	70.28%	562,200,000	69.97%	562,200,000	69.72%	562,200,000	69.56%
Mr. Chang Sean Pey	22,400,000	2.80%	22,400,000	2.79%	22,400,000	2.78%	22,400,000	2.77%
Ms. Leung Churk Yin Jeanny	9,400,000	1.18%	9,400,000	1.17%	9,400,000	1.17%	9,400,000	1.16%
<b>Other Shareholders</b>								
Ms. Khoo	1,120,000	0.14%	2,510,000	0.31%	3,630,000	0.45%	4,750,000	0.59%
Public Shareholders	204,880,000	25.60%	207,010,000	25.76%	208,790,000	25.88%	209,430,000	25.92%
	<u>800,000,000</u>	<u>100.00%</u>	<u>803,520,000</u>	<u>100.00%</u>	<u>806,420,000</u>	<u>100.00%</u>	<u>808,180,000</u>	<u>100.00%</u>

*Note:* Kinley-Hecico Holdings Limited (“**KHHL**”) is deemed to be interested in the Company through its wholly-owned subsidiary Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan Kit Lai, Cecilia (“**Ms. Chan**”) and as to 80.0% by Landmark Trust Switzerland SA (the “**Trustee**”) on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Arnold Ip Tin Chee, Chairman and Executive Director and Ms. Lam Ip Tin Wai Chyvette (“**Ms. Ip**”) are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the Shares held by KHHL. Pursuant to the SFO, Ms. Ho Shuk Yee Samantha, the spouse of Mr. Ip, is deemed to be interested in all the Shares in which Mr. Ip is interested or deemed to be interested.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE GRANT OF SHARE AWARDS

As a listed company, the Board believes such status has enabled the Company to grant Share Awards as an additional means to structure remuneration package for staff retention. The Board also considers the grant of Share Awards an incentive bonus for such employees, which is in the ordinary and usual course of business of the Group and on normal commercial terms.

As disclosed in the 2020 Annual Report, the financial performance of the Group in FY2020 was affected by a general slowdown in the Hong Kong corporate finance market. Notwithstanding such challenging business environment, the operational team of the Group has exerted their dedication to their work as well as the performance and development of the Group.

Going forward, the management of the Group will continue to develop its corporate finance business through building up the expertise and experience of its corporate finance advisory team, leveraging on their business network and relationships to source and retain clients and implementing prudent risk management system to manage the risk exposure of the Group so as to maximise the returns of its Shareholders and investors.

In order to recognize and reward the contributions of the Selected Employees and Ms. Khoo during this turbulent time, as well as to retain and motivate them for the continual operation and development of the Group, the Directors have decided to grant them the Share Awards.

The terms of each of the deeds of grant entered into with each of the Grantees are similar, save for that the deeds of grant for Ms. Khoo and one of the Selected Employees have two Vesting Dates of 31 December 2021 and 31 December 2022, while those for the other 10 Selected Employees have two Vesting Dates of 31 December 2020 and 2021. Ms. Khoo and such one of the Selected Employees had previously been granted Shares from the 2018 Share Awards and 2019 Share Awards, the Vesting Dates of which are 31 December 2019, 31 December 2020 and 31 December 2021. The current grant to Ms. Khoo and such one of the Selected Employees can be viewed as a continued process by the Company to reward them via Shares for their contribution to the past performance of and commitment to the Group.

Taking into account the above, the Board is of the view that the Selected Employees Specific Mandate, Connected Grant and Connected Grant Specific Mandate are fair and reasonable and are in the interests of the Shareholders as a whole.

### INFORMATION OF THE GROUP

The Company is, through its operating subsidiaries, principally engaged in (i) the provision of corporate finance services in Hong Kong, primarily offering sponsorship, financial advisory and compliance advisory services to clients; and (ii) property investment in Japan and Hong Kong.



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## LETTER FROM THE BOARD

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### GEM LISTING RULES IMPLICATIONS

Ms. Khoo is an executive director of a wholly-owned subsidiary of the Group, and is a connected person of the Company at the subsidiary level. Accordingly, the Connected Grant constitutes a connected transaction under the GEM Listing Rules and is subject to reporting, announcement, independent financial advice and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

### EGM

A notice convening the EGM to be convened at Artyzen Club at 401A, 4/F Shun Tak Centre (near China Merchant Tower), 200 Connaught Road Central, Hong Kong at 10:00 a.m. on Friday, 7 August 2020 or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, is set out on pages 38 to 40 of this circular. At the EGM, ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Selected Employees Specific Mandate, Connected Grant and Connected Grant Specific Mandate.

Pursuant to Rule 17.47(4) of the GEM Listing Rules and Article 66(1) of the Articles, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

A form of proxy for use by Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

### CLOSURE OF THE REGISTER OF MEMBERS

For the attendance of the EGM to be held on Friday, 7 August 2020, the register of members of the Company will be closed from Tuesday, 4 August 2020 to Friday, 7 August 2020, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar and transfer office of Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 3 August 2020.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Directors consider that the Selected Employees Specific Mandate is in the interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Selected Employees Specific Mandate at the EGM.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the Connected Grant and the Connected Grant Specific Mandate have been entered into in the ordinary and usual course of the business of the Group and are based on normal commercial terms, and the Connected Grant and Connected Grant Specific Mandate are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the Connected Grant and the Connected Grant Specific Mandate at the EGM.

### GENERAL

Your attention is drawn to (i) the letter from the Independent Board Committee, (ii) the letter from the Independent Financial Adviser and (iii) the additional information set out in the appendix to this circular and the EGM Notice.

By order of the Board  
**Altus Holdings Limited**  
**Arnold Ip Tin Chee**  
*Chairman and Executive Director*

**ALTUS**  
**ALTUS HOLDINGS LIMITED**  
**浩德控股有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8149)**

23 July 2020

*Dear Independent Shareholders,*

**CONNECTED TRANSACTION**  
**GRANT OF SHARE AWARDS TO A CONNECTED PERSON**

We refer to the circular of the Company dated 23 July 2020 (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you in respect of the fairness and reasonableness of the Connected Grant and Connected Grant Specific Mandate. Rainbow Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

Having taken into account the advice of Rainbow Capital, including the reasons to and benefits of the Connected Grant and Connected Grant Specific Mandate, we are of the opinion that the deed of grant entered into between the Company and Ms. Khoo has been entered into in the ordinary and usual course of the business of the Group as an additional means to structure remuneration package for staff retention and as an incentive bonus for such employee, and are based on normal commercial terms, and the terms of the Connected Grant and Connected Grant Specific Mandate are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, we would advise the Independent Shareholders to vote in favour of the ordinary resolution to approve the Connected Grant and Connected Grant Specific Mandate at the EGM.

We also draw the attention of the Independent Shareholders to (i) the letter from the Board, (ii) the letter from the Independent Financial Adviser, and (iii) the appendix to the Circular.

Yours faithfully,  
For and on behalf of the  
Independent Board Committee

**Chao Tien Yo**  
*Independent non-executive  
Director*

**Chan Sun Kwong**  
*Independent non-executive  
Director*

**Lee Shu Yin**  
*Independent non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Grant and the Connected Grant Specific Mandate for the purpose of inclusion in this circular.*

**Rainbow Capital (HK) Limited**

23 July 2020

*To the Independent Board Committee and the Independent Shareholders*

Altus Holdings Limited  
21 Wing Wo Street  
Central, Hong Kong

Dear Sir or Madam,

### **CONNECTED TRANSACTION GRANT OF SHARE AWARDS TO A CONNECTED PERSON**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Grant and the Connected Grant Specific Mandate, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 23 July 2020 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 26 June 2020, the Board resolved to make conditional awards of an aggregate of 3,830,000 Awarded Shares as an incentive bonus to 12 Grantees, being employees of the Group, for the purposes of recognising and rewarding their contributions, as well as retaining and motivating them for the continual operation and development of the Group. The Awarded Shares shall be issued and allotted to the Grantees pursuant to specific mandates.

Among the 3,830,000 Awarded Shares, 1,600,000 Awarded Shares were conditionally granted to Ms. Khoo, an executive director of a wholly-owned subsidiary of the Group and therefore a connected person of the Company at the subsidiary level. Accordingly, the grant of Share Awards to Ms. Khoo, being the Connected Grant, constitutes a non-exempt connected transaction for the Company and is subject to reporting, announcement and independent shareholders’ approval requirements under the GEM Listing Rules. As far as the Directors are aware, save as Ms. Khoo who held 1,120,000 Shares as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution approving the Connected Grant and the Connected Grant Specific Mandate at the EGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Chao Tien Yo, Mr. Chan Sun Kwong and Mr. Lee Shu Yin, has been established to advise the Independent Shareholders on whether (i) the Connected Grant and the Connected Grant Specific Mandate are conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Connected Grant and the Connected Grant Specific Mandate are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group. Accordingly, we are qualified to give independent advice in respect of the Connected Grant and the Connected Grant Specific Mandate.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or its substantial shareholders, subsidiaries or associates.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in respect of the Connected Grant and the Connected Grant Specific Mandate, we have taken into account the following principal factors and reasons:

### 1. Background information of the Group

The Group is principally engaged in (i) provision of corporate finance services including sponsorship, financial advisory and compliance advisory services in Hong Kong; and (ii) leasing of investment properties in Japan and Hong Kong for residential and commercial uses. The Group provides corporate finance services through its wholly-owned subsidiary, Altus Capital Limited (“**Altus Capital**”), where Ms. Khoo serves as an executive director.

The table below sets out (i) the key financial information of the Group; and (ii) the performance of the Group’s operating segments, for the two years ended 31 March 2020 (“**FY2019**” and “**FY2020**”, respectively), as extracted from the annual report of the Company for the year ended 31 March 2020 (the “**2020 Annual Report**”).

	For the year ended 31 March	
	2019	2020
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue	77,655	59,666
– Corporate finance services	40,885	21,967
– Property investment	36,770	37,699
Other income	132	4,464
Net increase (decrease) in fair value of investment properties	19,439	(5,272)
Administrative and operating expenses	(42,298)	(34,693)
Finance costs	(5,886)	(4,900)
Segment profit	61,009	24,376
– Corporate finance services	21,800	9,400
– Property investment	39,209	14,976
Profit for the year	30,689	1,450

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *FY2020 compared with FY2019*

In FY2019 and FY2020, revenue generated from provision of corporate finance services accounted for approximately 52.6% and 36.8% of the Group's total revenue, respectively.

Revenue of the Group decreased by approximately 23.2% from approximately HK\$77.7 million in FY2019 to approximately HK\$59.7 million in FY2020, primarily due to the lower revenue generated from the corporate finance segment. The decrease in revenue of the corporate finance segment by approximately 46.3% from approximately HK\$40.9 million in FY2019 to approximately HK\$22.0 million in FY2020 was mainly attributable to (i) the decrease in sponsorship revenue due to fewer number of active engagements; and (ii) the decrease in revenue from financial advisory engagements due to the lower average price of the engagements although the number of active engagements were similar, as compared to the previous year. This was partially offset by the increase in revenue from compliance advisory services due to higher number of active engagements. Accordingly, the segment profit for provision of corporate finance services decreased from approximately HK\$21.8 million in FY2019 to approximately HK\$9.4 million in FY2020.

Profit of the Group decreased from approximately HK\$30.7 million in FY2019 to approximately HK\$1.5 million in FY2020, primarily attributable to (i) the lower level of revenue explained above; and (ii) the net decrease in fair value of investment properties in FY2020. This was partially offset by (i) the increase in other income due to insurance compensation and reversal of impairment loss in account receivables; (ii) the decrease in administrative and operating expenses due to the decrease in non-recurring expenses relating to the proposed transfer of listing of the Company and the decrease in impairment loss of account receivables; and (iii) lower interest expenses.

As disclosed in the 2020 Annual Report, by excluding the net effect of changes in the valuation of investment properties, the Group recorded an underlying net profit of approximately HK\$7.5 million in FY2020 as compared to approximately HK\$13.2 million in FY2019.

### *Overall comment*

The financial performance of the Group in FY2020 was affected by a general slowdown in the Hong Kong corporate finance market. However, during this uncertain time, the management of the Group noted the potential demand for financial advisory services involving debt restructuring and mergers and acquisitions transactions such as general offers and privatisations as market players take advantage of depressed valuations under the current difficult market conditions.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As disclosed in the 2020 Annual Report, in view of the outbreak of the novel coronavirus, the risk of a second wave of infection, the ongoing Sino-U.S. trade dispute, the social incidents in Hong Kong and the intensified market competition, the Directors expect that the deal flow of the Group's corporate finance services will be greatly affected and the performance of the Group will remain challenging in the coming quarters.

Going forward, the management of the Group will continue to develop its corporate finance business through building up the expertise and experience of its corporate finance advisory team, leveraging on their business network and relationships to source and retain clients and implementing prudent risk management system to manage the risk exposure of the Group so as to maximise the returns of its Shareholders and investors. We consider that maintaining a stable and experienced corporate finance team led by the senior management team, including Ms. Khoo, who is the subject of the Connected Grant, allows the Group to achieve the aforesaid strategy.

### **2. Principal terms of the deeds of grant of the Share Awards**

The principal terms of the deeds of grants of the Share Awards are set out in the section headed "Share Awards" in the Letter from the Board, which are summarised below:

Date	:	26 June 2020
Parties	:	(i) The Company, as grantor; and  (ii) The Selected Employees and Ms. Khoo, as Grantees
Duration	:	The Share Awards shall be valid and effective for the period from the date the Share Awards become unconditional until the termination date which is the earlier of 31 December 2022, or on such date as may be determined by the Board. Termination shall not affect any subsisting rights of the Grantees under the Share Awards saved as mentioned in the paragraph headed "Lapse" below.
Conditions	:	The Share Awards are conditional upon, among other things:  (i) the approval by the Shareholders and the Independent Shareholders of (a) the Selected Employees Specific Mandate; and (b) the Connected Grant and the Connected Grant Specific Mandate at the EGM, respectively; and  (ii) the Company having obtained from the Stock Exchange a grant of the listing of, and permission to deal in, the Awarded Shares.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Vesting periods : The vesting of the 480,000 and 1,120,000 Awarded Shares to Ms. Khoo under the Connected Grant shall take place on 31 December 2021 and 2022, respectively.

Out of the 11 Grants to Selected Employees, the vesting of 300,000 Awarded Shares and 640,000 Awarded Shares under one deed of grant will take place on 31 December 2021 and 2022 respectively, while for the remaining 10 deeds of grant, the vesting of 450,000 Awarded Shares and 840,000 Awarded Shares (in aggregate) will take place on 31 December 2020 and 2021 respectively.

Lapse : In the event that the Grantee ceases to be an employee of the Group, or by reasons of, amongst others, death, his or her becoming bankrupt, commitment of any fraud, dishonesty or serious misconduct, having been convicted of any criminal offenses, then his/her entitlements to any Awarded Shares, to the extent not already vested, shall lapse forthwith and all the unvested Awarded Shares shall be deemed to be forfeited.

### **3. Information on Ms. Khoo**

As disclosed in the 2020 Annual Report, Ms. Khoo joined the Group in September 2011 and currently serves as the Group Senior Manager, an executive director of Altus Capital, a principal of Altus Capital for sponsorship work and a responsible officer for Type 6 (advising on corporate finance) regulated activity and a licensed representative for Type 1 (dealing in securities) under the SFO, where she is responsible for (i) supervising and leading the execution of corporate finance projects; (ii) clients' relationship management and project origination; (iii) talent cultivation; and (iv) continuous enhancement of the Group's practice and processes. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Apart from the executive Directors, Ms. Khoo is the longest serving corporate finance staff in the Group.

### **4. Reasons for and benefits of the Connected Grant**

Over the years, the Group has accumulated extensive experience in the corporate finance industry and property investment and has trained up a team of high quality and dedicated talents. The Directors consider that the future success and continual development of the Group is largely dependent on the commitment and efforts of its experienced and competent management. Particularly, the Group relies heavily on its staff with in-depth industry knowledge and substantial experience to provide corporate finance services and to establish and maintain client relationship. The Share Awards were therefore made to the Grantees in recognition of their past contributions to the development and business performance of the Group and as an incentive for their continuing commitment and contribution towards the sustainable growth of the Group.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the background, experience, roles and responsibilities of Ms. Khoo and noted that Ms. Khoo has served the Group since September 2011 and has approximately nine years of experience in the corporate finance industry. Ms. Khoo is currently a principal of Altus Capital for sponsorship work and a responsible officer of Altus Capital for Type 6 (advising on corporate finance) regulated activity under the SFO. We have discussed with the management of the Group and understand that maintaining a stable and experienced team is essential to the continual operation and development of the Group. Taking into account that (i) the Awarded Shares under the Connected Grant shall vest over a period of approximately 2.5 years in two tranches on 31 December 2021 and 2022, respectively; and (ii) any unvested Award Shares granted to Ms. Khoo shall lapse and be forfeited if, among other things, Ms. Khoo ceases to be an employee of the Group, we consider that these features are designed to motivate Ms. Khoo's continuing commitment and contribution towards the development of the Group with her expertise and experience and ensure stability of the Group's operations, promoting the growth in revenue and profitability of the Group, particularly under the current hardship. We have discussed with the management of the Group and noted that they have been building their expertise in corporate finance since 2001 through a strong and stable management, an open and honest communication and a meritocratic modus operandi. Accordingly, we are of the view that the Connected Grant is linked to the continuing commitment and contribution of Ms. Khoo towards the development of the Group and provides Ms. Khoo with a direct economic interest in attaining a long-term relationship with the Group. On this basis, we consider that the Connected Grant is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Apart from the Connected Grant, Ms. Khoo has previously been granted an aggregate of 3,150,000 Shares under the 2018 Share Awards and the 2019 Share Awards, the details of which are set out below:

<i>Number of share awards granted to Ms. Khoo in relation to:</i>	<b>Date of grant</b>	<b>Total</b>	<b>Vesting date As at 31 December</b>			
			<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
The Connected Grant	26 June 2020	1,600,000			480,000	1,120,000
The 2019 Share Awards	3 July 2019	750,000		750,000		
The 2018 Share Awards	25 June 2018	2,400,000	1,120,000	640,000	640,000	
<b>Total</b>		<b>4,750,000</b>	<b>1,120,000</b>	<b>1,390,000</b>	<b>1,120,000</b>	<b>1,120,000</b>

As disclosed in the Letter from the Board, the Connected Grant can be viewed as a continued process by the Company to reward Ms. Khoo via Shares for her contribution to the past performance of and commitment to the Group. As stated in the section headed "1. Background information of the Group" above, revenue of the Group in FY2020 was affected by a general slowdown in the Hong Kong corporate finance market. In face of the current economic downturn caused by the global outbreak of the novel coronavirus, the local

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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social incidents in Hong Kong and the Sino-U.S. trade tensions, the growth of the Group may be materially affected in the short run. Notwithstanding the challenging outlook faced by all walks of life, the management of the Group believes and we concur that it is of utmost importance under the current circumstances to adhere to their strategy of building their expertise in corporate finance as mentioned above.

As set out in the section headed “5. Assessment of the terms of the Connected Grant – (i) Comparable Grants” below, based on our search on the website of the Stock Exchange, nine Comparable Grants (as defined below) were identified, in which share awards or restricted share units were granted to the key employees of the respective companies as part of their remuneration packages to retain and motivate them for the continual operation and development of their companies. The vesting periods of these share awards or restricted share units ranged from approximately 8.5 months to five years. Accordingly, we consider that the Connected Grant and the vesting period of the Awarded Shares granted to Ms. Khoo are in line with the market practice.

As set out in the section headed “6. Financial effects of the Share Awards” below, the allotment and issue of the Share Awards will have no effect on the cash flow of the Group other than the staff costs recognised over the vesting periods of the Awarded Shares. As compared to cash bonuses which will result in an immediate cash outflow of the Group and share options where the grantees are required to pay the exercise price upon exercise of the share options and the timing of exercise of the share options will depend on the Share prices, we consider that the Connected Grant provides an immediate incentive and reward to Ms. Khoo who has contributed to the Group’s growth and results over the years and is crucial to the development of the Group.

Based on the above, we concur with the Directors that the Connected Grant and Connected Grant Specific Mandate are in the ordinary and usual course of business of the Group which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **5. Assessment of the terms of the Connected Grant**

#### ***(i) Comparable Grants***

The Connected Grant involves the grant of Share Awards to Ms. Khoo, a connected person of the Company, for the purpose of recognising and rewarding her contribution as well as retaining and motivating her for the continual operation and development of the Group.

In assessing the fairness and reasonableness of the Connected Grant, we have compared it with share awards or restricted share units granted to connected persons of other companies listed on the Stock Exchange which involved issuance of new shares by the listed companies and, if required, were approved by the independent shareholders of the listed companies (the “**Comparable Grants**”), as announced on the website of the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Stock Exchange during the period from 26 January 2020 to 26 June 2020 (the “**Research Period**”), being approximately five months prior to the announcement of the grant of the Share Awards. Based on the aforesaid criteria, nine Comparable Grants were identified, which we believe are exhaustive based on our search on the website of the Stock Exchange. We consider that this sample represents a sample size (i.e. nine) typical for comparable research, which is sufficient for comparison with the Connected Grant and is fair and representative given that the Comparable Grants involve grant of share awards or restricted share units and issuance of new shares to connected persons, as in the case of the Connected Grant. As the Research Period provides a sufficient sample size for our analysis and is a period not too remote from the Latest Practicable Date, we consider that the Research Period is fair and representative.

Although details with respect to each individual grantee and/or the Comparable Grants such as responsibilities and service terms of each individual grantee, date of grant, business nature and scale of each company may vary, we consider that the Comparable Grants can provide a general reference for common market practice in granting share awards or restricted share units to connected persons of other companies listed on the Stock Exchange, in particular the size relative to the total issued shares and the vesting period. In evaluating the fairness and reasonableness of the Connected Grant, we have considered these two features associated with the Comparable Grants.

We have compared the Connected Grant with the Comparable Grants in terms of the sizes and vesting periods of share awards or restricted share units. Details of the Comparable Grants are set out below:

Company (stock code)	Date of announcement	Grantee(s)	Approximate percentage of number of awarded shares or restricted share units granted to connected persons to total number of shares in issue on the date of announcement	Approximate percentage of total number of awarded shares or restricted share units to total number of shares in issue on the date of announcement	Timing of vesting	Vesting period
Great Wall Motor Company Limited (2333.HK)	27 April 2020	281 grantees (including 7 connected persons)	0.07%	0.54%	(a) 50% upon the expiry of 12 months from the date of grant;  (b) 30% upon the expiry of 24 months from the date of grant; and  (c) 20% upon the expiry of 36 months from the date of grant	3 years

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (stock code)	Date of announcement	Grantee(s)	Approximate percentage of number of awarded shares or restricted share units granted to connected persons to total number of shares in issue on the date of announcement	Approximate percentage of total number of awarded shares or restricted share units to total number of shares in issue on the date of announcement	Timing of vesting	Vesting period
Innovent Biologics, Inc. (1801.HK)	15 April 2020	373 grantees (including 5 connected persons)	0.13%	0.43%	Grant to executive directors: (a) 75% on 15 April 2023; and (b) 25% on 15 April 2024;  Grant to independent non-executive directors: shall vest on 1 January 2021	Approximately 8.5 months to 4 years
KWG Group Holdings Limited (1813.HK)	14 April 2020	36 grantees (including 8 connected persons)	0.02%	0.06%	(a) One-third on 14 April 2021; (b) One-third on 14 April 2022; and (c) One-third on 14 April 2023	3 years
Melco International Development Limited (200.HK)	1 April 2020	1 connected grantee	0.32% of the total issued shares of the listed subsidiary	0.32% of the total issued shares of the listed subsidiary	(a) 50% on 31 March 2022; and (b) 50% on 31 March 2023	3 years
Fosun International Limited (656.HK)	1 April 2020	83 grantees (including 12 connected persons)	0.05%	0.10%	(a) 33% on 1 April 2021; (b) 33% on 1 April 2022; and (c) 34% on 1 April 2023	3 years
Shandong Chenming Paper Holdings Limited (1812.HK)	30 March 2020	120 grantees (including 19 connected persons)	1.61%	2.75%	(a) 40% upon the expiry of 24 months from the date of grant; (b) 30% upon the expiry of 36 months from the date of grant; and (c) 30% upon the expiry of 48 months from the date of grant	4 years
WuXi Biologics (Cayman) Inc. (2269.HK)	27 March 2020	388 grantees (including 5 connected persons)	0.04%	0.18%	Not available	1 or 5 years for connected persons

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (stock code)	Date of announcement	Grantee(s)	Approximate percentage of number of awarded shares or restricted share units granted to connected persons to total number of shares in issue on the date of announcement	Approximate percentage of total number of awarded shares or restricted share units to total number of shares in issue on the date of announcement	Timing of vesting	Vesting period
Chong Hing Bank Limited (1111.HK)	16 March 2020	54 grantees (including 3 connected persons)	0.03%	0.16%	(a) 25% in the first calendar year after the date of grant; (b) 25% in the second calendar year after the date of grant; (c) 25% in the third calendar year after the date of grant; and (d) 25% in the fourth calendar year after the date of grant	4 years
Oshidori International Holdings Limited (622.HK)	22 January 2020	10 grantees (including 1 connected person)	0.17%	1.63%	100% on the fourth anniversary of the date of the grant	4 years
		<b>Minimum</b>	0.02%	0.06%		8.5 months
		<b>Maximum</b>	1.61%	2.75%		5 years
<b>The Company (8149.HK)</b>	<b>26 June 2020</b>	<b>12 Grantees (including 1 connected person)</b>	<b>0.20%</b> (Note 1)	<b>0.48%</b> (Note 2)	<b>In stages over the Duration</b>	<b>Approximately 1.5 years or 2.5 years</b>

*Notes:*

1. Calculated based on 1,600,000 Awarded Shares granted to Ms. Khoo and 800,000,000 issued Shares as at the date of grant of the Share Awards.
2. Calculated based on 3,830,000 Awarded Shares granted to the Grantees and 800,000,000 issued Shares as at the date of grant of the Share Awards.

As shown above, the size of the share awards or restricted share units under the Comparable Grants ranged from approximately 0.06% to approximately 2.75% of their respective total number of shares in issue as at the date of the relevant announcements. The Awarded Shares, including those under the Connected Grant, represent approximately 0.48% of the total number of issued Shares as at the date of grant of the Share Awards, which is within the aforesaid range. Among the total share awards or restricted share units under the Comparable Grants, approximately 0.02% to approximately 1.61% of their respective total number of shares in issue as at the date of the relevant announcements were granted to connected persons of the respective companies. The number of Awarded Shares granted to Ms. Khoo relative to the total number of issued Shares of approximately

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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0.20% was within the range of those of the Comparable Grants. The vesting periods of the share awards or restricted share units under the Comparable Grants, on the other hand, ranged from approximately 8.5 months to five years. The vesting period of the Awarded Shares under the Connected Grant of approximately 2.5 years falls within the aforesaid range. As such, we consider that the size and the vesting period of the Awarded Shares (including those under the Connected Grant) are in line with the market practice and are fair and reasonable.

***(ii) Comparison of total remuneration package of Ms. Khoo to the market***

In assessing the fairness and reasonableness of Ms. Khoo's annual remuneration package (including base salary, bonus and share-based payments), we have conducted online searches on the latest salary guides published by certain international recruitment consultancy firms for the prevailing market remuneration level for personnel holding positions similar to Ms. Khoo's in the corporate finance industry in Hong Kong. The results are set out below:

<b>Publication</b>	<b>Name of publisher</b>	<b>Industry/Position/Annual remuneration</b>
Hong Kong Salary Benchmark, Financial Services & Fintech	Michael Page (Note 1)	Corporate finance Director Annual base salary: HK\$1.2 million to HK\$2.8 million Bonus per annum: 30% to 80% of annual salary (i.e. HK\$360,000 to HK\$2.24 million)
2020 Hong Kong Salary Guide	Kelly Services Hong Kong Limited (Note 2)	Corporate finance Director Annual base salary: HK\$1.5 million to HK\$2.7 million
Salary Guide 2020	Robert Half (Note 3)	Corporate finance Director Gross yearly salary: HK\$900,000 to HK\$1.6 million (not including bonuses, incentives and other forms of remuneration)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Publication	Name of publisher	Industry/Position/Annual remuneration
Salary Survey 2020, Greater China & South East Asia	Robert Walters (Note 4)	Non-bulge bracket investment banks Director Annual base salary: HK\$1.6 million to HK\$2.2 million Bonus per annum: 50% to 75% of annual salary (i.e. HK\$800,000 to HK\$1.65 million)

*Sources:*

<https://www.michaelpage.com.hk/salary-guide>  
<https://www.kellyservices.com.hk/salary-guides/>  
<https://www.roberthalf.com.hk/research-insights/salary-guide/financial-services>  
[https://cthr.ctgoodjobs.hk/article\\_files/attachment\\_2/salary-survey-2020-gc-sea\\_20003.pdf](https://cthr.ctgoodjobs.hk/article_files/attachment_2/salary-survey-2020-gc-sea_20003.pdf)

*Notes:*

1. Michael Page, established in 1976, is a professional recruitment consultancy firm specialising in the recruitment of permanent, contract and temporary positions with operations in 36 countries worldwide.
2. Kelly Services Hong Kong Limited is a joint venture established in 2016 between Kelly Services Inc., a U.S. listed company, and PERSOL Holdings, providing services from recruitment, executive search, outsourcing to consultancy, with over 50 offices across 13 markets.
3. Robert Half, founded in 1948 and a member of the S&P 500, is a recruitment consultancy firm with over 300 offices worldwide, providing recruitment solutions for finance and accounting, financial services and technology professionals.
4. Robert Walters, founded in 1985, is a professional recruitment group with operations across 31 locations and over 4,200 people.

As shown above, the annual base salary for personnel holding a director position in the corporate finance industry in Hong Kong ranged from HK\$900,000 to HK\$2.8 million whereas the annual bonus for similar personnel ranged from HK\$360,000 to HK\$2.24 million. In other words, total annual remuneration for a director grade in the corporate finance industry in Hong Kong ranged from HK\$1.26 million to HK\$5.04 million.

As set out in the section headed “4. Reasons for and benefits of the Connected Grant” above, 1,390,000 Shares, 1,120,000 Shares and 1,120,000 Shares (including the Connected Grant) shall be vested as at 31 December 2020, 2021 and 2022, respectively, and issued to Ms. Khoo under the share awards previously granted to her and the Connected Grant. For illustrative purpose, on average, Ms. Khoo will be entitled to 1,210,000 Shares per annum (the “**Average Share Awards**”) in the coming three years. Based on the closing price of the Shares of HK\$0.218 on 26 June 2020, the date of grant of the Share Awards, the value of the Average Share Awards amounted to approximately HK\$264,000.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For illustrative purpose, based on (i) the annual base salary and bonus of Ms. Khoo for the year ended 31 March 2020; and (ii) the value of the Average Share Awards as calculated above, the annual remuneration package of Ms. Khoo (including base salary, bonus and share awards previously granted and under the Connected Grant) would be in the range of HK\$1.5 million to HK\$2.5 million, which is within the abovementioned market ranges. As such, we consider that Ms. Khoo's annual remuneration (including the Awarded Shares under the Connected Grant) is in line with the market rate.

### 6. Financial effects of the Share Awards

According to Hong Kong Financial Reporting Standard 2 – Share-based Payment and the accounting policy of the Group, share awards granted to the employees are the amounts to be expensed as staff costs, the amounts of which are determined by reference to the fair value of the share awards granted, taking into account all non-vesting conditions associated with the grants. The total expense is recognised over the relevant vesting periods, with a corresponding credit to the share award reserve under equity. When the awarded shares are allotted and transferred to the grantees upon vesting, the awarded shares vested are debited to the share award reserve and the allotted shares are credited to share capital and share premium.

The allotment and issue of the Awarded Shares shall have no effect on the cash flow of the Group other than the staff costs recognised over the vesting periods of the Awarded Shares. Based on the closing price of the Shares of HK\$0.218 as at the date of grant (i.e. 26 June 2020), the expenses relating to the allotment and issuance of the Awarded Shares are approximately HK\$0.8 million in aggregate, which are expected to decrease the net profit of the Group.

### 7. Dilution effect of the Share Awards

As at the Latest Practicable Date, among the 6,740,000 Shares that were granted under the 2018 Share Awards and the 2019 Share Awards, 4,350,000 Shares (the “Unvested Shares”) have not been vested and issued to the relevant employees. Upon allotment and issue of the 3,830,000 Awarded Shares (including those under the Connected Grant) and the Unvested Shares (assuming that there is no other change in the issued share capital of the Company) in full, the shareholding interests of existing public shareholders would be diluted from approximately 25.60% as at the Latest Practicable Date to approximately 25.35%. This is considered immaterial in percentage terms and, in our view, acceptable so far as the Independent Shareholders are concerned taking into account the expected benefits as set out in the section headed “4. Reasons for and benefits of the Connected Grant” above.

For details of the dilution effect of the share awards granted by the Company, please refer to the section headed “Maximum number of Awarded Shares to be issued and listing application” in the Letter from the Board.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Connected Grant and the Connected Grant Specific Mandate are in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Connected Grant and the Connected Grant Specific Mandate.

Yours faithfully,  
For and on behalf of  
**Rainbow Capital (HK) Limited**  
**Larry Choi**  
*Managing Director*

*Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 6 (advising on corporate finance) regulated activity under the SFO. He has over ten years of experience in the corporate finance industry.*

## 1 RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 circular 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 circular misleading.

## 2 DISCLOSURE OF INTERESTS

### (a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), if any, held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or have been entered into the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules as follows:

#### *Interest or short position in the Shares:*

Name of Director	Capacity and nature of interest	Notes	Number of Shares interested (Note 3)	Approximate percentage of the total issued share capital of the Company %
Mr. Arnold Ip Tin Chee ("Mr. Ip")	Beneficiary of a trust	1	557,200,000 (L)	69.65
	Beneficial owner		1,250,000 (L)	0.16
	Interest of a spouse		1,250,000 (L)	0.16
Mr. Chang Sean Pey ("Mr. Chang")	Beneficial owner	2	22,400,000 (L)	2.80
Ms. Leung Churk Yin Jeanny ("Ms. Leung")	Beneficial owner	2	9,400,000 (L)	1.18

*Notes:*

1. Kinley Hecico Holdings Limited (“**KHHL**”) is deemed to be interested in 557,200,000 shares of the Company in long position through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan Kit Lai, Cecilia (“**Ms. Chan**”) and as to 80.0% by Landmark Trust Switzerland SA (the “**Trustee**”) on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Lam Ip Tin Wai Chyvette (“**Ms. Ip**”) are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL. Mr. Ip has beneficial interest in 1,250,000 shares of the Company and has interest of spouse in 1,250,000 shares of the Company by virtue of SFO.
2. The letters “L” denote a long position in the Shares.

*Interests in associated corporations of the Company:*

Name	Name of associated corporation	Capacity and nature of interest	Interests in shares (Note 1)	Approximate percentage shareholding (%)
Mr. Ip	KHHL (Note 2)	Beneficiary of a trust	204 (L)	80.00
	I Corporation (Note 3)	Interest of spouse	14 (L)	20.00
Ms. Leung	Residence Motoki Investment Limited (“ <b>Residence</b> ”)	Beneficial owner	20 (L)	0.33
Mr. Chang	Residence	Beneficial owner	10 (L)	0.17

*Notes:*

1. The letter “L” denotes a long position in the shares of these associated corporations of the Company.
2. KHHL is deemed to be interested in the Company through its wholly-owned subsidiary Flying Castle Limited. KHHL is a company which is owned as to 20% by Ms. Chan and as to 80% by the Trustee on behalf of The Hecico 1985 Trust, of which Mr. Ip is one of the beneficiaries. By virtue of the SFO, Mr. Ip is deemed to be interested in the shares of KHHL held by the Trustee.
3. Pursuant to the SFO, Mr. Ip, the spouse of Ms. Ho, is deemed to be interested in the shares of I Corporation held by Ms. Ho.

Save as disclosed above, none of the Directors or the chief executive of the Company and/or their respective associates had, as at the Latest Practicable Date, any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

**(b) Interest of substantial shareholders**

As at the Latest Practicable Date, substantial shareholders (not being the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

***Interests or short position in the Shares:***

<b>Name of Shareholder</b>	<b>Capacity and nature of interest</b>	<b>Number of Shares interested (Note 1)</b>	<b>Approximate percentage of the total issued share capital of the Company (%)</b>
Flying Castle Limited (Note 2)	Beneficial owner	557,200,000 (L)	69.65
KHHL (Note 2)	Interest in a controlled corporation	557,200,000 (L)	69.65
The Trustee	Trustee	557,200,000 (L)	69.65
Ms. Chan (Note 2)	Founder of a discretionary trust	557,200,000 (L)	69.65
	Beneficial owner	1,250,000 (L)	0.16
Mr. Ip (Note 2)	Beneficiary of a trust	557,200,000(L)	69.65
	Beneficial owner	1,250,000 (L)	0.16
	Interest of spouse	1,250,000 (L)	0.16
Ms. Ip (Note 2)	Beneficiary of a trust	557,200,000 (L)	69.65
	Beneficial owner	1,250,000 (L)	0.16
Ms. Ho Shuk Yee Samantha (“ <b>Ms. Ho</b> ”) (Note 3)	Interest of spouse	558,450,000 (L)	69.81
	Beneficial owner	1,250,000 (L)	0.16
Yuanta Asia Investment Limited	Beneficial owner	44,250,000 (L)	5.53

*Notes:*

1. The letters “L” denote a long position in the Shares.
2. KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by The Trustee on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the Shares held by KHHL. By virtue of SFO, Mr. Ip, the spouse of Ms. Ho, is deemed to be interested in 1,250,000 Shares held by Ms. Ho.
3. Pursuant to the SFO, Ms. Ho, the spouse of Mr. Ip, is deemed to be interested in all the Shares in which Mr. Ip is deemed to be interested in.

*Interests or short positions in other members of the Group:*

Name of shareholder	Name of member of the Group	Capacity and nature of interest	Number of shares (Note)	Percentage of shareholding (%)
Ms. Ho	I Corporation	Beneficial owner	14 (L)	20.00
Mr. Henry Shih	Smart Tact Property Investment Limited	Beneficial owner	922 (L)	10.00
	Residence	Beneficial owner	600 (L)	10.00
	Lynton Gate Limited	Beneficial owner	1 (L)	10.00
	EXE Rise Shimadori Investor Limited	Beneficial owner	12 (L)	10.00
Mr. Richard Lo	Residence	Interests in controlled corporations	600 (L)	10.00

*Note:* The letter “L” denotes a long position in the shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company and/or their respective associates are not aware that there is any party who has an interest or short position in the shares and underlying shares of the Company which would be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### **3 COMPETING BUSINESS INTERESTS OF DIRECTORS**

As at the Latest Practicable Date, none of the Directors and their respective associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### **4 QUALIFICATION**

The following is the qualification of the expert who has given an opinion or advice on the information contained in this circular:

<b>Name</b>	<b>Qualification</b>
Rainbow Capital (HK) Limited	a licensed corporation permitted to engage in Type 6 (advising on corporate finance) regulated activity under the SFO

### **5 CONSENT**

Rainbow Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear herein.

### **6 MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Company is not aware of any material adverse change in the financial or trading position of the Group since 31 March 2020, being the date to which the latest published audited financial statements of the Group were made up.

### **7 LITIGATION**

So far as the Company is aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

**8 MISCELLANEOUS**

- (a) None of the Directors has entered into or is proposed to enter into a service contract with any member of the Group which does not expire or which is not determinable by such member of the Group within one year without payment of compensation, other than statutory compensation.
- (b) As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors or Rainbow Capital was beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and none had any interest, either directly or indirectly, in any assets which have been, since 31 March 2020, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (d) The company secretary and the qualified accountant of the Company is Ms. Tse Sui Man who is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (e) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (f) The principal place of business of the Company in Hong Kong is at 21 Wing Wo Street, Central, Hong Kong.
- (g) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (h) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited.
- (i) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.



**9 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the offices of the Company at 21 Wing Wo Street, Central, Hong Kong from the date of this circular to Friday, 7 August 2020 (both days inclusive):

- (a) the deed of grant to Ms. Khoo;
- (b) the deeds of grant to the Selected Employees;
- (c) the letter from the Independent Board Committee, the text of which is set out on page 15 of this circular;
- (d) the letter from Rainbow Capital, the text of which is set out on pages 16 to 30 of this circular; and
- (e) the consent letter from Rainbow Capital referred to in the paragraph headed “Consent” in this Appendix.

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## NOTICE OF EGM

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# ALTUS

## ALTUS HOLDINGS LIMITED

### 浩德控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8149)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Altus Holdings Limited (the “**Company**”) will be held at Artyzen Club at 401A, 4/F Shun Tak Centre (near China Merchant Tower), 200 Connaught Road Central, Hong Kong at 10:00 a.m. or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, on Friday, 7 August 2020 to consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) The deed of grant (the “**Ms. Khoo Deed**”) dated 26 June 2020 entered into between the Company as the grantor and Ms. Khoo Wing Pui Charlotte as a grantee in respect of the award of a total of 1,600,000 new shares of HK\$0.01 each of the Company, credited as fully paid, as an incentive bonus (a copy of which has been produced to this meeting marked “A” and initialled by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to transactions mentioned in paragraph (a) above;
- (c) conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the Awarded Shares (as defined in the Ms. Khoo Deed) to be allotted and issued pursuant to the terms and conditions of the Ms. Khoo Deed, the Directors be and are hereby granted a specific mandate (the “**Connected Grant Specific Mandate**”) to allot and issue not exceeding 1,600,000 ordinary shares of HK\$0.01 each in the capital of the Company on the terms as set out in the Ms. Khoo Deed, provided that the Connected Grant Specific Mandate shall be in addition to and shall not prejudice nor revoke the general mandate contained in the ordinary resolution 5 of the notice of annual general meeting of the Company dated 30 June 2020 to be held on 7 August 2020 if it is granted to the Directors by the shareholders of the Company at the said annual general meeting of the Company; and

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## NOTICE OF EGM

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- (d) the Directors be and are hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to transactions mentioned in paragraph (c) above.”

2. “**THAT:**

- (a) conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the Awarded Shares (as defined in the deeds of grant (the “**Selected Employees Deeds**”) dated 26 June 2020 entered into between the Company as the grantor and eight selected employees (“**Selected Employees**”) as grantees in respect of the award of a total of 2,230,000 new shares of HK\$0.01 each of the Company, credited as fully paid, as incentive bonus) to be allotted and issued pursuant to the terms and conditions of the Selected Employees Deeds, the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Selected Employees Specific Mandate**”) to allot and issue in aggregate not exceeding 2,230,000 ordinary shares of HK\$0.01 each in the capital of the Company on the terms as set out in the Selected Employees Deeds, provided that the Selected Employees Specific Mandate shall be in addition to and shall not prejudice nor revoke the general mandate contained in the ordinary resolution 5 of the notice of annual general meeting of the Company dated 30 June 2020 to be held on 7 August 2020 if it is granted to the Directors by the shareholders of the Company in the said annual general meeting of the Company; and
- (b) the Directors be and are hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to transactions mentioned in paragraph (a) above.”

By order of the Board  
**Altus Holdings Limited**  
**Tse Sui Man**  
*Company Secretary*

Hong Kong, 23 July 2020

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## NOTICE OF EGM

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*Notes:*

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company. In view of the COVID-19 pandemic, shareholders are strongly encouraged to appoint the chairman of the EGM as proxy to attend and vote on his behalf at the EGM or any adjourned meeting.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised on its behalf.
3. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the EGM (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Hong Kong branch registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The register of members of the Company will be closed from Tuesday, 4 August 2020 to Friday, 7 August 2020, both dates inclusive. During such period, no share transfers will be effected. In order to qualify for attending the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 3 August 2020.
7. If typhoon signal no. 8 or above, or a "black" rainstorm warning is hoisted or remains hoisted at 7:30 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.altus.com.hk](http://www.altus.com.hk) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
8. A form of proxy for use by shareholders of the Company at the EGM is enclosed in this circular.

As at the date of this notice, the directors of the Company are:

*Executive Directors:*

Mr. Arnold Ip Tin Chee (*Chairman*)  
Mr. Chang Sean Pey  
Ms. Leung Churk Yin Jeanny

*Independent non-executive Directors:*

Mr. Chao Tien Yo  
Mr. Chan Sun Kwong  
Mr. Lee Shu Yin

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Headquarter and principal place of  
business in Hong Kong:*

21 Wing Wo Street  
Central  
Hong Kong