
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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 **EFT Solutions 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 was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

EFT Solutions Holdings Limited
俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8062)

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
RELATING TO MASTER SUPPLY AND SERVICES AGREEMENT
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 13 of this circular. A letter from Elstone Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 30 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Workshop B1 & B3, 11/F, Yip Fung Industrial Building, 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong on Thursday, 31 March 2022 at 10:00 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-2 of this circular.

PRECAUTIONARY MEASURES FOR THE EGM

Shareholders shall not attend the extraordinary general meeting in person. Any Shareholder who does attempt to attend the extraordinary general meeting in person will be denied entry to the venue of the meeting.

Voting at the extraordinary general meeting of the Company is by PROXY ONLY. Shareholders who wish to vote on any resolution at the extraordinary general meeting must appoint the chairman of the extraordinary general meeting as their proxy to vote on their behalf by completing the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong, not less than 48 hours before the time fixed for holding of the meeting or any adjournment thereof. If a person who is not the chairman of the extraordinary general meeting is appointed as proxy, that person will not be permitted entry to the meeting and will not be able to exercise the vote. In any event, Shareholders will not be deprived of their rights of voting on the resolution(s) to be proposed at the extraordinary general meeting.

16 March 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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 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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	13
Letter from the Independent Financial Adviser	14
General Information	31
Notice of Extraordinary General Meeting	EGM-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 17 February 2022
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Company”	EFT Solutions Holdings Limited (俊盟國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EFT Payments”	EFT Payments (Asia) Limited, a company incorporated in Hong Kong with limited liability, which is indirectly owned as to 90% by Mr. Lo and indirectly owned as to 10% by Openrice Investment Inc. and its associates, which are Independent Third Parties
“EFT-POS”	electronic fund transfer at point-of-sales
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 31 March 2022 to consider and approve the New Master Supply and Services Agreement and the transactions contemplated thereunder
“Existing Master Supply and Services Agreement”	the master supply and services agreement entered into between the Company and EFT Payments in relation to the supply of EFT-POS terminals and peripheral devices and system support services for the EFT-POS terminals and peripheral devices dated 26 November 2018
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all three independent non-executive Directors, namely Dr. Wu Wing Kuen, <i>B.B.S.</i> , Mr. Tso Ping Cheong Brian and Mr. Wong Ping Yiu which has been established by the Company to make recommendations to the Independent Shareholders in respect of the terms of the New Master Supply and Services Agreement
“Independent Financial Adviser”	Elstone Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) has been appointed to advise the Independent Board Committee and Independent Shareholders in respect of the terms of the New Master Supply and Services Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than those who have material interests in the New Master Supply and Services Agreement and the transactions contemplated thereunder and are required (by virtue of such material interests) to abstain from voting at the EGM
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of and not connected with any director, chief executive or substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective associates
“Latest Practicable Date”	15 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein

DEFINITIONS

“LCK”	LCK Group Limited, a company incorporated in the British Virgin Islands with limited liability and a Controlling Shareholder, which is wholly owned by Mr. Lo
“Mr. Lo”	Mr. Lo Chun Kit Andrew (勞俊傑), the Chairman, chief executive officer, executive Director and Controlling Shareholder of the Company
“New Master Supply and Services Agreement”	the master supply and services agreement entered into between the Company and EFT Payments in relation to the supply of EFT-POS terminals and peripheral devices and system support services for the EFT-POS terminals and peripheral devices dated 17 February 2022
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
“Prospectus”	prospectus of the Company dated 5 December 2016
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD

EFT Solutions Holdings Limited
俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8062)

Executive Directors:

Mr. Lo Chun Kit Andrew (*Chairman*)
Mr. Lo Chun Wa

Non-executive Directors:

Ms. Lam Ching Man
Mr. Lui Hin Weng Samuel

Independent Non-executive Directors:

Dr. Wu Wing Kuen, *B.B.S.*
Mr. Tso Ping Cheong Brian
Mr. Wong Ping Yiu

Registered Office:

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Workshops B1 & B3
11/F, Yip Fung Industrial Building
28–36 Kwai Fung Crescent
Kwai Chung, New Territories
Hong Kong

16 March 2022

To the Shareholders

Dear Sir or Madam,

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
RELATING TO MASTER SUPPLY AND SERVICES AGREEMENT
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 26 November 2018 in relation to, among others, the Existing Master Supply and Services Agreement; and (ii) the Announcement in relation to the New Master Supply and Services Agreement.

The purpose of this circular is to provide you with, among others, (i) further details of the New Master Supply and Services Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the

LETTER FROM THE BOARD

Independent Shareholders; and (iv) a notice of the EGM to be convened and held for the purpose of considering and, if thought fit, approving the New Master Supply and Services Agreement.

NEW MASTER SUPPLY AND SERVICES AGREEMENT

As the Existing Master and Services Agreement will expire on 31 March 2022, the Board announces that, on 17 February 2022 (after trading hours), the Company entered into the New Master Supply and Services Agreement with EFT Payments to renew the Existing Master Supply and Services Agreement. Principal terms of the New Master Supply and Services Agreement are set out below for reference:

Date

17 February 2022

Parties

The Company and EFT Payments

Services

The Company shall provide EFT Payments with EFT-POS terminals and peripheral devices and system support services for the EFT-POS terminals and peripheral devices. EFT-POS system support service comprises of installation, maintenance, collection and repair of EFT-POS terminals and peripheral devices deployed at merchants by EFT Payments, as well as hotline services and merchant training. The Group will also provide software solution services to EFT Payments.

Term

3 years, commencing from 1 April 2022 and expiring on 31 March 2025.

Conditions precedent

The New Master Supply and Services Agreement is conditional upon (not to be waived by any of the parties) the Company having complied with the requirements under the GEM Listing Rules in relation to continuing connected transactions, which include but not limited to the announcement and Independent Shareholders' approval requirements.

Pricing basis

The purchase price for EFT-POS terminals shall be determined after arm's length negotiations between EFT Payments and the Group from time to time with reference to the model of EFT-POS terminals to be purchased, their various specifications and the then prevailing market price of similar products in the market and that in any event shall be no

LETTER FROM THE BOARD

less favourable to the Group than that offered to Independent Third Parties by the Group. The market price of the relevant product will be determined by reference to the pricing terms of products of comparable specifications and quantities offered to at least two Independent Third Parties by the Group. The Company adopts a cost-plus approach that the prices for EFT-POS terminals have a margin of not less than 20%, taking into account of the cost of terminals, delivery, specifications required of the acquirers, number of terminals ordered and lot sizes, and that in any event shall be no less favourable to the Group than the standard minimum margin rate charged to Independent Third Parties by the Group.

The monthly system support fee payable by EFT Payments to the Group is based on the number of terminals deployed by EFT Payments multiplied by a system support fee, which ranged from HK\$10 to HK\$130 per month depending on the scope of services required, which was agreed after arm's length negotiations between the parties with regard to the scope of services and the prevailing market rates and that in any event shall be no less favourable to the Group than that offered to Independent Third Parties by the Group. The market rates of the relevant service will be determined by reference to the pricing terms of services of comparable quality, scope and quantities offered to at least two Independent Third Parties by the Group. Separate fees would be charged for additional ad-hoc services not covered in the services agreements on a case by case basis, and such fees will be determined on an estimate of the number of man-power and time required based on comparable services offered to at least two Independent Third Parties by the Group.

The software solution service fee payable by EFT Payments to the Group is determined on an estimate of the number of man-power and time required to develop the software solutions, subject to the size and complexity of a particular software solution together with any other costs incurred such as material cost and testing cost plus the targeted margin (which in any event shall be no less favourable to the Group than the standard minimum margin rate charged to Independent Third Parties by the Group) and shall be determined and agreed after arm's length negotiations between EFT Payments and the Group from time to time with reference to the then prevailing market price of similar services in the market and that in any event shall be no less favourable to the Group than that offered to Independent Third Parties by the Group. The market price of the relevant service will be determined by reference to the pricing terms of services of comparable size, complexity, required man-power and time for development offered to at least two Independent Third Parties by the Group.

Internal Control Procedures

The Group will revisit and make reference to the prices of the same or comparable products or services offered to independent customers in the ordinary and usual course of business from time to time to ensure that the prices offered to EFT Payments will be no less favourable than that offered to the Independent Third Parties.

LETTER FROM THE BOARD

In respect of the prices for EFT-POS terminals, the Group's sales department will extract information from sales record, which contains the range of unit price which the Group charged Independent Third Parties for products of comparable quality, quantity and specifications within the period of six months ("**Review Period**") prior to the relevant transactions with EFT Payments and the financial controller of the Company would make reference to such information before approving the price of EFT-POS terminals to be offered to EFT Payments. The financial controller of the Company will consider the costs, and quantities of each order and make reference to the pricing policies of the Company to ensure the price offered to EFT Payments will be no less favourable than that offered to the Independent Third Parties and the profit margin charged will be not less than 20%.

In respect of the monthly system support fee and software solution service fee, the management of the Company would make reference to the fees offered by the Group to Independent Third Parties within the Review Period prior to the relevant agreements entered with EFT Payments after consideration of the costs, quantities and types of EFT-POS terminals involved for the monthly system support fee or the estimate of the required labour cost and time cost for software solutions service and make reference to the pricing policies of the Company before approving the services fees, to ensure that the service fee offered by the Group to EFT Payments will be no less favourable than that offered to the Independent Third Parties.

The financial controller and/or management of the Company will make reference to the prices offered to at least two Independent Third Parties. If there are less than two similar transactions for the management of the Company to make reference with, the financial controller and/or management of the Company would extend the Review Period to 12 months or ensure the profit margin charged will be not less than 20%.

Further, the following procedures have been implemented:

- i. The Group's sales department will keep up-to-date records of the unit prices of products sold by the Group to ensure the relevant pricing information to determine the price ranges for the products to be sold to connected parties can be timely obtained;
- ii. The Group's finance department will continuously monitor the underlying transactions under the New Master Supply and Services Agreement and review the pricing of products, payment terms and actual transaction amount on a monthly basis. The finance department will regularly compare the prices of the products supplied under the master agreement to see if any prices are less favourable than that offered from Independent Third Parties of comparable quality, quantity and specifications;
- iii. The Group's finance department will continuously monitor the underlying transactions under the New Master Supply and Services Agreement and review the actual transaction amount at least on a monthly basis to ensure that the

LETTER FROM THE BOARD

annual caps under the New Master Supply and Services Agreement is not exceeded. If the annual cap is about to be exceeded, the financial controller of the Company will review the underlying transactions to decide whether the annual cap should be revised in compliance with the GEM Listing Rules;

- iv. The independent non-executive Directors will review the transactions under the New Master Supply and Services Agreement annually to ensure that, among other things, its terms are fair and reasonable and in the interest of the Company and Shareholders as a whole; and
- v. The Company will engage its auditor to report on the New Master Supply and Services Agreement annually, to confirm whether, among other things, price charged for each of the transactions selected were in accordance with the pricing terms set out in the agreements or the prices charged were consistent with the prices charged for comparable transactions, and the relevant annual caps have not been exceeded.

HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS

The following table sets out the historical transaction amounts under the Existing Master Supply and Services Agreement and the annual caps for the corresponding years:

	For the year ended 31 March 2020 (HK\$'000) (audited)	For the year ended 31 March 2021 (HK\$'000) (audited)	For the nine months ended 31 December 2021 (HK\$'000) (unaudited)
Historical transaction amounts	<u>17,921</u>	<u>18,261</u>	<u>15,756</u>
	For the year ended 31 March 2020 (HK\$'000)	For the year ended 31 March 2021 (HK\$'000)	For the year ending 31 March 2022 (HK\$'000)
Existing annual caps	<u>20,000</u>	<u>23,000</u>	<u>23,000</u>

LETTER FROM THE BOARD

The proposed annual caps for each of the three years ending 31 March 2025 under the New Master Supply and Services Agreement are as follows:

	For the year ending 31 March 2023 (HK\$'000)	For the year ending 31 March 2024 (HK\$'000)	For the year ending 31 March 2025 (HK\$'000)
Annual caps	<u>23,000</u>	<u>23,000</u>	<u>25,000</u>

In determining the above annual caps, the Directors have considered (i) the historical purchase price and system support fees due from the Existing Master Supply and Services Agreement for each of the two years ended 31 March 2020 and 2021, and the nine months ended 31 December 2021; and (ii) the expected demand and/or sales and deployment of terminals for the year for the year ending 31 March 2022 and the three years ending 31 March 2023, 2024 and 2025.

Having considered (i) the historical purchase price and system support fees paid under the Existing Master Supply and Services Agreement was approximately HK\$17.9 million for the year ended 31 March 2020 and HK\$18.3 million for the year ended 31 March 2021, respectively; (ii) the transaction amounts between the Group and EFT Payments for the nine months ended 31 December 2021 accounted for approximately 68.5% of the annual cap of HK\$23 million; (iii) the government's launch of the digital consumption voucher scheme, which utilises mobile payments, helps to boost the number of mobile payment users in Hong Kong and continues to increase the demand of EFT-POS terminals deployed in merchants in Hong Kong; (iv) the expected demand of EFT-POS terminals for the confirmed projects of EFT Payments (which is based on historical demand and discussion with the management of EFT Payments); (v) the service fee for system support service as at 31 December 2021 amounted to approximately HK\$5.5 million (The service fee for system support service is "cumulative", which means the more EFT-POS terminals deployed, the higher the expected demand for the corresponding system support services, once the EFT-POS terminals are deployed and increases progressively depending on the number of terminals deployed and the monthly service fee payable to the Group by EFT Payments for EFT-POS system support service); and (vi) the software solution fees can vary depending on the size and complexity of the software solution being provided, the Directors consider that the terms of the New Master Supply and Services Agreement and the annual caps are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW MASTER SUPPLY AND SERVICES AGREEMENT

With the increasing popularity of mobile payment methods in Hong Kong, the demand for EFT-POS terminals for mobile payments, corresponding system support services and software

LETTER FROM THE BOARD

solution services continues to increase. The aggregate purchase of EFT-POS terminals and peripheral devices by EFT Payments are expected to increase to keep abreast of the rapid development of the mobile payment market. The increased number of deployed EFT-POS terminals and peripheral devices by EFT Payments will increase demand for system support services and software solution services to provide seamless integrated solutions for merchants.

The Directors (excluding the independent non-executive Directors whose opinion will be formed after considering the advice from the Independent Financial Adviser) consider it is beneficial for the Group to conduct transactions under the New Master Supply and Services Agreement in order to seize the opportunity of the increasing demand of mobile payments, which will in turn continue to enhance the revenue and profitability to the Group. The Directors (excluding the independent non-executive Directors whose opinion will be formed after considering the advice from the Independent Financial Adviser) consider the entering into of the New Master Supply and Services Agreement is in the Group's ordinary course of business, and the terms of the New Master Supply and Services Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND EFT PAYMENTS

The Group is a leading EFT-POS solution provider focusing on sales of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services, software solution services and embedded system solution services in Hong Kong.

EFT Payments is principally engaged in promoting and marketing the acceptance of Alipay as means of electronic payment by merchants in Hong Kong and the PRC. EFT Payments would distribute EFT-POS terminals to certain merchants so that these merchants would be able to provide Alipay as a payment method to the customers. EFT Payments remains as the end customer of EFT-POS terminals and peripherals and system support services.

IMPLICATIONS UNDER THE GEM LISTING RULES

EFT Payments is indirectly owned as to 90% by Mr. Lo, the Chairman, chief executive officer, executive Director and Controlling Shareholder of the Company. Therefore, EFT Payments is a connected person of the Company under Rule 20.07 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) are more than 5%, accordingly the entering into of the New Master Supply and Services Agreement constitutes a continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

EGM

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, other than LCK which is interested in 348,455,000 Shares as the Latest Practicable Date representing 72.59% of the issued share capital of the Company and Mr. Lo who is

LETTER FROM THE BOARD

interested in 2,765,000 Shares as the Latest Practicable Date representing 0.58% of the issued share capital of the Company, no other Shareholder is required to abstain from voting on the proposed resolutions at the EGM.

At the Board meeting approving the New Master Supply and Services Agreement, other than Mr. Lo and his associates including Ms. Lam Ching Man and Mr. Lo Chun Wa (being Mr. Lo's spouse and brother, respectively) who were altogether considered to have material interests in the relevant transactions and had abstained from voting on the relevant Board resolutions, none of the Directors had to abstain from voting on the relevant Board resolutions.

A notice convening the EGM to be held at Workshop B1 & B3, 11/F, Yip Fung Industrial Building, 28-36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong on Thursday, 31 March 2022 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolutions in relation to the New Master Supply and Services Agreement. In view of the current COVID-19 situation in Hong Kong, the Company will not accept any physical attendance by Shareholders. Any Shareholder who does attempt to attend the EGM in person will be denied entry to the venue of the meeting.

Voting at the EGM is by PROXY ONLY. Shareholders who wish to vote on any resolution at the EGM must appoint the chairman of the EGM as their proxy to vote on their behalf by completing the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong, as soon as practicable but in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Shareholders should specifically indicate how they wish to vote for or vote against the resolutions set out in the notice convening the EGM. If a person who is not the chairman of the EGM is appointed as proxy, that person will not be permitted entry to the meeting and will not be able to exercise the vote. In any event, Shareholders will not be deprived of their rights of voting on the resolution(s) to be proposed at the EGM (or any adjourned meeting thereof).

Shareholders will be able to view and listen to the EGM through a live webcast of the EGM which can be accessed on computers, tablets or any browser enabled devices. Shareholders will be able to access the live webcast at the start of the EGM until its conclusion. For Shareholders who would like to view and listen to the live webcast of the EGM, they will need to register with the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, by sending an email to proxy_lmshk@linkmarketservices.com or via telephone hotline at (852) 3707 2600 during business hours (9:00 a.m. to 5:00 p.m., Monday to Friday, excluding Hong Kong public holidays) no later than 10:00 a.m. on 29 March 2022 (being not less than forty-eight (48) hours before the time appointed for holding the EGM) to enable the Company to verify the Shareholders' status. Authenticated Shareholders will receive an email confirmation on 29 March 2022 which contains a link to join the live webcast of the EGM. Shareholders MUST NOT forward the link to other persons who are not Shareholders and who are not entitled to attend the EGM.

LETTER FROM THE BOARD

Shareholders may submit any questions they may have in advance in relation to any resolutions set out in the notice convening the EGM by 10:00 a.m. on 29 March 2022 (being not less than forty-eight (48) hours before the time appointed for holding the EGM) via email to the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at proxy_lmshk@linkmarketservices.com or via telephone hotline at (852) 3707 2600 during business hours (9:00 a.m. to 5:00 p.m., Monday to Friday, excluding Hong Kong public holidays). Questions relevant to the business of the EGM will be addressed by the Board during the EGM.

RECOMMENDATION

Taking into account the letter from the Independent Board Committee and all other factors stated above as a whole, the Directors (including the independent non-executive Directors) are of the view that the terms of the New Master Supply and Services Agreement are fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Master Supply and Services Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
EFT Solutions Holdings Limited
Lo Chun Kit Andrew
Chairman and Chief Executive Officer

EFT Solutions Holdings Limited
俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8062)

16 March 2022

To the Independent Shareholders

Dear Sirs,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
RELATING TO MASTER SUPPLY AND SERVICES AGREEMENT**

We refer to the circular dated 16 March 2022 issued to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As members of the Independent Board Committee, we have been appointed by the Board to advise the Independent Shareholders on whether the terms of the New Master Supply and Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Details of the New Master Supply and Services Agreement are set out in the text of the Letter from the Board as set out on pages 4 to 12 of the Circular.

We wish to draw your attention to the letter of advice from Elstone Capital Limited as set out on pages 14 to 30 of the Circular which contains, among others, its advice and recommendation to us as regards the terms of the New Master Supply and Services Agreement together with the principal factors and reasons for its advice and recommendation. Having considered, among other matters, the factors and reasons considered by, and the opinions of Elstone Capital Limited as stated in its aforementioned letter of advice, we consider that the terms of the New Master Supply and Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. And accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Master Supply and Services Agreement.

Yours faithfully

For and on behalf of the Independent Board Committee

Dr. Wu Wing Kuen, B.B.S.
*Independent
non-executive Director*

Mr. Tso Ping Cheong Brian
*Independent
non-executive Director*

Mr. Wong Ping Yiu
*Independent
non-executive Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Elstone Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the New Master Supply and Services Agreement prepared for the purpose of inclusion in this circular.



16 March 2022

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS RELATING TO MASTER SUPPLY AND SERVICES AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the New Master Supply and Services Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 16 March 2022 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

References are made to the circular of the Company dated 17 December 2018 and the Announcement in relation to the Existing Master Supply and Services Agreement and the New Master Supply and Services Agreement respectively. Pursuant to the Existing Master Supply and Services Agreement entered into between the Company and EFT Payments, the Company agreed to provide EFT Payments with EFT-POS terminals and peripheral devices and system support services for the EFT-POS terminals and peripheral devices, with effect from 1 April 2019 to 31 March 2022. As the Existing Master Supply and Services Agreement will expire on 31 March 2022, the Company entered into the New Master Supply and Services Agreement with EFT Payments on 17 February 2022 (after trading hours), to renew the Existing Master Supply and Services Agreement, pursuant to which the Company shall provide EFT Payments with EFT-POS terminals and peripheral devices and system support services for the EFT-POS terminals and peripheral devices, with effect from 1 April 2022 to 31 March 2025. The EFT-POS system support service comprises of installation, maintenance, collection and repair of EFT-POS terminals and peripheral devices deployed at merchants by EFT Payments, as well as hotline services and merchant training. The Group will also provide software solution services to EFT Payments.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Letter from the Board, EFT Payments is indirectly owned as to 90% by Mr. Lo, the Chairman, the chief executive officer, the executive Director and the Controlling Shareholder of the Company. Therefore, EFT Payments is a connected person of the Company under Rule 20.07 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) are more than 5%, accordingly the entering into of the New Master Supply and Services Agreement constitutes a continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

According to the Letter from the Board, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than LCK which is interested in 348,455,000 Shares as the Latest Practicable Date representing 72.59% of the issued share capital of the Company and Mr. Lo who is interested in 2,765,000 Shares as the Latest Practicable Date representing 0.58% of the issued share capital of the Company, no other Shareholder is required to abstain from voting on the resolution in relation to the New Master Supply and Services Agreement at the EGM.

As stated in the Letter from the Board, at the Board meeting approving the New Master Supply and Services Agreement, other than Mr. Lo and his associates including Ms. Lam Ching Man and Mr. Lo Chun Wa (being Mr. Lo's spouse and brother, respectively) who were altogether considered to have material interests in the relevant transactions and had abstained from voting on the relevant board resolutions, none of the other Directors had to abstain from voting on the relevant board resolutions.

The Independent Board Committee comprising Dr. Wu Wing Kuen, *B.B.S.*, Mr. Tso Ping Cheong Brian and Mr. Wong Ping Yiu, being all the independent non-executive Directors, has been established to give advice to the Independent Shareholders as to whether the terms of the New Master Supply and Services Agreement are fair and reasonable and how to vote in respect of the resolution in relation to the New Master Supply and Services Agreement.

OUR INDEPENDENCE

We, Elstone Capital Limited, has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the New Master Supply and Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the terms of the New Master Supply and Services Agreement are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote on the relevant resolution to approve the New Master Supply and Services Agreement at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We are not aware of any relationships or interests between us, the Group or EFT Payments, their respective directors, chief executives, subsidiaries, associates or substantial shareholders or their respective associates. In the past two years, there was no engagement between us, the Group, EFT Payments or any of their respective associates. As at the Latest Practicable Date, we did not have any relationships or interests with the Group or EFT Payments that could reasonably be regarded as hindrance to our independence. 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 or EFT Payments. Accordingly, we are considered to be eligible to give independent advice in respect of the terms of the New Master Supply and Services Agreement and the transactions contemplated thereunder.

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 Directors and the management of 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 material 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 are 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 such 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, opinion expressed, representations made to us or referred to in the Circular and that all information provided, opinion expressed or representations made, to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material 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 any member of the Group or EFT Payments or any of their respective subsidiaries and associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation in respect of the terms of the New Master Supply and Services Agreement, we have taken into account the following principal factors and reasons:

1. Background information of the Group and EFT Payments

(a) *The Group*

The Group is a EFT-POS solution provider focusing on sales of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services, software solution services and embedded system solution services in Hong Kong.

Set out below is a summary of the consolidated financial information of the Group for the nine months ended 31 December 2020 (the “**3Q 2020**”) and 31 December 2021 (the “**3Q 2021**”), and the years ended 31 March 2020 (the “**FY2020**”) and 31 March 2021 (the “**FY2021**”) as extracted from the Company’s third quarterly report for the nine months ended 31 December 2021 (the “**2021 3Q Report**”) and its annual report for the year ended 31 March 2021 (the “**2021 Annual Report**”), respectively:

	For the year ended 31 March 2020 <i>HK\$’000</i> (audited)	For the year ended 31 March 2021 <i>HK\$’000</i> (audited)	For the nine months ended 31 December 2020 <i>HK\$’000</i> (unaudited)	For the nine months ended 31 December 2021 <i>HK\$’000</i> (unaudited)
Revenue	119,673	103,967	73,698	81,075
– including revenue generated from EFT Payments	17,921	18,261	14,855	15,756
Profit for the year/period attributable to the owners of the Company	4,245	26,548	16,212	13,150

As set out in the above table, the Group recorded revenue of approximately HK\$104 million for FY2021, which represents a decrease of approximately 13.1% as compared to prior year. With reference to the 2021 Annual Report, the decrease in revenue of the Group was mainly due to the decrease in revenue generated from the provision of system support and software solution services from approximately HK\$78.4 million for FY2020 to approximately HK\$62.2 million for FY2021, which was partially offset by the slight increase of revenue generated from sales of EFT-POS terminal and peripheral devices from approximately HK\$41.3 million in FY2020 to approximately HK\$41.8 million in FY2021. These two segments of businesses

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

represented 100% of revenue of the Group for FY2021 and FY2020. The Group recorded revenue from sales of EFT-POS terminals and peripheral devices and provision of services to EFT Payments amounting to approximately HK\$18.3 million for FY2021, representing (i) approximately 18% of the total revenue for FY2021 and (ii) a slight increase of approximately HK\$0.3 million or approximately 2% from approximately HK\$17.9 million for FY2020. Despite the decrease in overall revenue, the Group recorded an increase in net profit for the year from approximately HK\$4.2 million for FY2020 to approximately HK\$26.5 million for FY2021 which was mainly due to decrease in finance costs from promissory notes, the one-off gain on disposal of an associate, government grants and decrease in administrative expenses, which was partially offset by the decrease in gross profit.

According to the 2021 3Q Report, the Group recorded revenue of approximately HK\$81.1 million for 3Q 2021, which represents an increase of approximately 10% as compared to approximately HK\$73.7 million for 3Q 2020. The increase in revenue was mainly due to increase in the sales of EFT-POS terminal and peripheral devices from approximately HK\$26.1 million for 3Q 2020 to approximately HK\$32.1 million for 3Q 2021 and the increase in the provision of system support and software solution services from approximately HK\$47.6 million in 3Q 2020 to approximately HK\$48.9 million for 3Q 2021. The Group recorded revenue from sales and provision of services to EFT Payments amounting to approximately HK\$15.8 million for 3Q 2021, representing (i) approximately 19% of the total revenue for 3Q 2021 and (ii) an increase of approximately HK\$0.9 million or approximately 6% from approximately HK\$14.9 million for 3Q 2020. Despite the increase in revenue, the profit of the period decreased from approximately HK\$16.3 million for 3Q 2020 to approximately HK\$13.2 million in 3Q 2021, which was mainly due to decrease in gross profit, increase in administrative expense and decrease in other income for the period.

As stated in the 2021 Annual Report, since January 2020, the outbreak of Novel Coronavirus (“**COVID-19**”) has impact on the global business environment. Further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group. As further stated in the 2021 3Q Report, the Group foresees the economic downturn due to the continue outbreak of COVID-19 in Hong Kong in 2021 may have continuing negative impact to the performance of the Group due to the possible decrease in the sales of EFT-POS terminals and peripheral devices and the number of EFT-POS terminals covered by the system support services. Despite of the above, as set out in the Letter from the Board, the government’s launch of the digital consumption voucher scheme which involves mobile payments, helps to boost the number of mobile payment users in Hong Kong and continues to increase the demand of EFT-POS terminals in merchants in Hong Kong.

Having considered (i) the relatively stable performance of the Group’s revenue generated from EFT Payments; (ii) the revenue generated from the EFT Payments recorded slightly increase for FY2021 and 3Q 2021 despite the economic downturn due to the outbreak of COVID-19; and (iii) the government’s launch of the digital

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

consumption voucher scheme may help to boost the number of mobile payment users in Hong Kong and continues to increase the demand of EFT-POS terminals deployed in merchants in Hong Kong, we are of the view and concur with the view of the management of the Company that entering into the New Master Supply and Services Agreement would be able to maintain the principal source of income of the Group and in the interests of the Company and the Shareholders as a whole.

(b) EFT Payments

EFT Payments is principally engaged in promoting and marketing the acceptance of Alipay, a third-party mobile and online payment platform, as means of electronic payment by merchants in Hong Kong and the PRC. According to the management of the Company, EFT-Payments would distribute EFT-POS terminals to certain merchants so that these merchants would be able to provide Alipay as a payment method to the customers. EFT Payments remains as the end customer of EFT-POS terminals and peripherals and system support services.

2. Reasons for and benefits of entering into the New Master Supply and Services Agreement

As stated in the Letter from the Board, the Board is of the view that with the increasing popularity of mobile payment methods in Hong Kong, the demand for EFT-POS terminals for mobile payments, corresponding system support services and software solution services continues to increase. The aggregate purchase of EFT-POS terminals and peripheral devices by EFT Payments are expected to increase to keep abreast of the rapid development of the mobile payment market. The increased number of deployed EFT-POS terminals and peripheral devices by EFT Payments will increase demand for system support services and software solution services to provide seamless integrated solutions for merchants and the Directors consider it is beneficial for the Group to conduct transactions under the New Master Supply and Services Agreement in order to seize the opportunity of the increasing demand of mobile payments, which will in turn continue to enhance the revenue and profitability to the Group.

Market outlook

Under the New Master Supply and Services Agreement, the Company shall provide EFT Payments with EFT-POS terminals and peripheral devices and system support services for the EFT-POS terminals and peripheral devices. Furthermore, as stated in the Letter from the Board, EFT Payments is principally engaged in promoting and marketing the acceptance of Alipay as means of electronic payment by merchants in Hong Kong and the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the official website of the Hong Kong Monetary Authority (“**HKMA**”), Alipay Financial Services (HK) Limited is currently one of the 16 companies that obtained the stored value facilities (“**SVF**”) license issued by HKMA. According to the “Explanatory Note on Licensing for Stored Value Facilities” issued by HKMA in January 2019 (https://www.hkma.gov.hk/media/eng/doc/key-functions/financial-infrastructure/infrastructure/retail-payment-initiatives/Explanatory_note_on_licensing_for_SVF.pdf), a facility is an SVF if:

- (a) it may be used for storing the value of an amount of money that:
 - (i) is paid into the facility from time to time; and
 - (ii) may be stored on the facility under the rules of the facility; and
- (b) it may be used for either or both of the following purposes:
 - (i) as a means of making payments for goods or services under an undertaking (whether express or implied) given by the issuer; and
 - (ii) as a means of making payments to another person (other than payments mentioned in sub-paragraph (i) above) under an undertaking (whether express or implied) given by the issuer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As EFT Payments is principally engaged in promoting and marketing the acceptance of Alipay, we have reviewed the latest data on SVF transactions issued by SVF licensees in Hong Kong and available in the official website of HKMA (<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2021/12/20211217-7/>) and (<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2021/09/20210917-4/>) and (<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2021/06/20210618-4/>) (“SVF Statistics”) in order to assess the market trend of SVF transactions and the demand of EFT-POS terminals and relevant system support services.

	Third quarter ended 30 September 2020 (“2020 3Q”)	Second quarter ended 30 June 2021 (“2021 2Q”)	Third quarter ended 30 September 2021 (“2021 3Q”)	Quarterly change (“2021 vs 2021 2Q”)	Year-on-year change (“YoY”) vs 2020 3Q	Nine months ended 30 September 2020 (“2020 9M”)	Nine months ended 30 September 2021 (“2021 9M”)	YoY change vs 2020 9M
Total number of SVF accounts in use in Hong Kong ('000)	63,965	64,337	65,566	1.9%	2.5%	191,505	193,722	1.2%
Total number of SVF transactions from point-of-sale spending payment ('000)	1,096,348	1,311,477	1,474,081	12.4%	34.5%	3,272,758	3,938,220	20.33%
Total value of SVF transactions from point-of-sale spending payment (HK\$ million)	22,708	25,765	37,679	46.2%	65.9%	68,643	88,926	29.55%

According to the SVF Statistics, the total number of SVF accounts in use in Hong Kong for 2021 3Q has reached approximately 65.6 million, which represents the increase of (i) approximately 1.9% as compared to 2021 2Q; and (ii) approximately 2.5% as compared to 2020 3Q. The total number of SVF transactions from point-of-sale spending payment in 2021 3Q has recorded approximately 1.5 billion, which represents (i) a quarterly growth of approximately 12.4% as compared to approximately 1.3 billion in 2021 2Q; and (ii) a YoY growth of approximately 34.5% as compared to approximately 1.1 billion in 2020 3Q. The total value of SVF transactions from point-of-sale spending payment has also recorded YoY growth in 2021, the total transaction value in 2021 3Q has recorded approximately HK\$37.7 billion, which represents an increase of approximately 65.9% as compared to 2020 3Q and an increase of approximately 46.2% as compared to 2021 2Q.

The total number of SVF accounts in use in Hong Kong for 2021 9M had reached approximately 193.7 million, which represents an increase of approximately 1.2% as

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

compared to 2020 9M. The total number of SVF transaction from point-of-sale spending payment for the 2021 9M has recorded approximately 3.94 billion, which represent an increase of approximately 20.3% compare to 2020 9M. The total value of SVF transactions from point-of-sale spending payment has also recorded growth for 2021 9M, the total transaction value for 2021 9M has recorded approximately HK\$88.9 billion, which represents an increase of approximately 29.5% as compared to 2020 9M. Based on the above, we are of the view that the scale of SVF transactions in Hong Kong exhibits an increasing trend and therefore the demand of the EFT-POS terminals is expected to grow.

Having considered that the growth of SVF transactions in terms of number of transactions and total value of transactions (i) for 2021 3Q have both recorded quarterly growth as compared to 2021 2Q and YoY growth as compared to 2020 3Q and (ii) for 2021 9M has recorded YoY growth as compared to 2020 9M, we are of the view and concur with the view of the management of the Company that the market outlook of the SVF transactions is expected to grow and therefore the demand of EFT-POS terminals and relevant system support services is expected to grow and entering into the New Master Supply and Services Agreement is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the New Master Supply and Services Agreement

As the Existing Master Supply and Services Agreement will expire on 31 March 2022, the Company entered into the New Master Supply and Services Agreement with EFT Payments on 17 February 2022 to renew the Existing Master Supply and Services Agreement. Principal terms of the New Master Supply and Services Agreement are set out below for reference:

Date

17 February 2022

Parties

The Company and EFT Payments

Services

The Company shall provide EFT Payments with EFT-POS terminals and peripheral devices and system support services for the EFT-POS terminals and peripheral devices. EFT-POS system support service comprises of installation, maintenance, collection and repair of EFT-POS terminals and peripheral devices deployed at merchants by EFT Payments, as well as hotline services and merchant training. The Group will also provide software solution services to EFT Payments.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Term

3 years, commencing from 1 April 2022 and expiring on 31 March 2025.

Conditions precedent

The New Master Supply and Services Agreement is conditional upon (not to be waived by any of the parties), the Company having complied with the requirement under the GEM Listing Rules in relation to continuing connected transactions, which include but not limited to the announcement and the Independent Shareholders' approval requirements.

Our review on the pricing basis

For the details of the pricing basis under the New Master Supply and Services Agreement, please refer to the paragraph headed "Pricing basis" under the section headed "NEW MASTER SUPPLY AND SERVICES AGREEMENT" in the Letter from the Board.

In order to ascertain whether the Company has adhered to the aforesaid pricing basis under the previous transactions between the Group and EFT Payments, we have reviewed (i) the list of transaction between the Group with EFT Payments under the Existing Master Supply and Services Agreement (the "**EFT Payments Transaction List**") for the period from 1 April 2019 (being the effective date of the Existing Master Supply and Services Agreement) until the date of the New Master Supply and Services Agreement; (ii) the sample invoices of EFT Payments and corresponding reference transactions (the "**Reference Transactions**") between the Group and its customers that are Independent Third Parties within the period of 6 months prior to the relevant transactions with EFT Payments for the management of the Company to determine the quotation price of transactions between the Company and EFT Payments; and (iii) the assurance reports issued by the auditor of the Company regarding the continued connected transactions of the Group for FY2020 and FY2021.

For the quotation prices of EFT-POS terminals and peripheral devices for EFT Payments, the management of the Company would make reference to the price of products with same type and of similar specifications offered to customers that are Independent Third Parties within the period of 6 months ("**Review Period**") prior to the relevant transactions with EFT Payments; after considering cost and quantities of each order to ensure that the price offered to EFT Payments in any event shall be no less favourable to the Group than that offered to Independent Third Parties by the Group. If there are less than two similar transactions for the management of the Company to make reference with, the management of the Company would extend the Review Period to 12 months in order to obtain sufficient Reference Transactions. The Company adopts a cost-plus approach that the prices for EFT-POS terminals have a margin of not less than 20%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the EFT Payments Transaction List regarding transactions of EFT-POS terminals and peripheral devices and we have selected and reviewed six sets of sample invoices issued by the Company to EFT Payments for each of the year ended 31 March 2020 and 31 March 2021 and year ending 31 March 2022 on a random basis from the EFT Payments Transaction List. For each of these sets, we have also reviewed two invoices of the Reference Transactions issued by the Company to the Independent Third Parties.

Taking into account (i) our main purpose of our review is to obtain an understanding on the pricing basis of the Existing Master Supply and Services Agreement; (ii) the sample selection from the EFT Payments Transaction List covered each of the three financial years; (iii) the number of actual transactions carried out between the Group and the EFT Payments during the effective period of Existing Master Supply and Services Agreement; and (iv) the terms of the continuing connected transactions have been and will continue to be reviewed by the independent non-executive Directors and the auditors in accordance with the GEM Listing Rules on an annual basis, we consider our sample size basis as aforesaid to be acceptable and in line with our usual practice.

Based on the aforementioned workdone, we noted that the management of the Company has made reference to at least two Reference Transactions for each transaction with EFT Payments and/or ensured the prices for EFT-POS terminals have a margin of not less than 20% since the effective date of the Existing Master Supply and Services Agreement and that the transaction prices between the EFT Payments and the Group were no less favourable to the Group than the minimum charge offered to Independent Third Parties by the Group.

Regarding the pricing basis of the monthly system support fee and software solution fee (“**Service Fees**”) offer to Independent Third Parties by the Company, the monthly system support fee is determined based on the number of terminals deployed by EFT Payments multiplied by a system support fee, which ranged from HK\$10 to HK\$130 per month depending on the scope of services required, where separate fees would be charged for additional ad-hoc services not covered in the services agreements on a case by case basis, and such fees will be determined on an estimate of the number of man-power and time required based on comparable services offered to at least two Independent Third Parties by the Group. The software solution fee is determined based on an estimate of the number of man-power and time required to develop the software solutions and subject to the size and complexity of a particular software solution together with other costs incurred such as material cost and testing cost plus the targeted margin, which in any event shall be no less favourable to the Group than the standard minimum margin rate charged to Independent Third Parties by the Group. According to the management of the Company, the Company has not provided any additional ad-hoc services not covered in the services agreements or software solution service to the EFT Payments since the effective date of the Existing Master Supply and Services Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As confirmed by the management of the Company, regarding the Service Fees payable by EFT Payments to the Group, the management of the Company would revisit and make reference to the fees offered by the Company to Independent Third Parties within a period of 6 months prior to the relevant agreements entered with EFT Payments after consideration of the costs and quantities and types of EFT-POS terminals (for the monthly system support fee) or required labor cost and time cost (for software solution fee) involved and to ensure that the Service Fees offer by the Group to EFT Payments would be no less favourable than that offered to Independent Third Parties by the Group, after balancing various factors including but not limited to the scope of services provided and the prevailing market prices. If there are less than two similar transactions for the management of the Company to make reference with, the management of the Company would extend the Review Period to 12 months in order to obtain sufficient Reference Transactions or ensure the profit margin charged will be not less than 20%.

We have reviewed EFT Payments Transaction List regarding the monthly system support fee and selected and reviewed the invoices issued by the Company to EFT Payments for each of the year ended 31 March 2020 and 31 March 2021 and year ending 31 March 2022 on a random basis from the EFT Payments Transaction List. For each of the above samples, we have also reviewed two invoices of Reference Transactions issued by the Company to the Independent Third Parties. We noted that the monthly system support fee charged by the Company on EFT Payments is determined based on the number of terminals deployed by EFT Payments multiplied by a system support fee, which ranged from HK\$10 to HK\$130 per month and that the management of the Company has made reference to at least two Reference Transactions for each transaction with EFT Payments and/or ensured the prices for EFT-POS terminals have a margin of not less than 20% since the effective of the Existing Master Supply and Services Agreement.

Based on the above, we are of the view and concur with the view of the management of the Company that there are adequate measures in place to ensure that the fees chargeable to EFT Payments are based on the transactions between the Group and Independent Third Parties and ensure the price offered to EFT Payments in any event shall be no less favourable to the Group than that offered to Independent Third Parties by the Group, and therefore such pricing arrangement is on normal commercial terms and the transactions conducted under the New Master Supply and Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Our review on internal control procedures

For the details of the internal control procedures under the New Master Supply and Services Agreement, please refer to the paragraph headed “Internal Control Procedures” under the section headed “NEW MASTER SUPPLY AND SERVICES AGREEMENT” in the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the management of the Company, the Group have implemented the following internal control measures to monitor the continuing connected transactions:

- i. The Group's sales department will keep up-to-date records of the unit prices of products sold by the Group to ensure the relevant pricing information to determine the price ranges for the products to be sold to connected parties can be timely obtained;
- ii. The Group's finance department will continuously monitor the underlying transactions under the New Master Supply and Services Agreement and review the pricing of products, payment terms and actual transaction amount on a monthly basis. The finance department will regularly compare the prices of the products supplied under the master agreement to see if any prices are less favourable than that offered from Independent Third Parties of comparable quality, quantity and specifications;
- iii. The Group's finance department will continuously monitor the underlying transactions under the New Master Supply and Services Agreement and review the actual transaction amount at least on a monthly basis to ensure that the annual caps under the under the New Master Supply and Services Agreement is not exceeded. If the annual cap is about to be exceeded, the financial controller of the Company will review the underlying transactions to decide whether the annual cap should be revised in compliance with the GEM Listing Rules;
- iv. The independent non-executive Directors will review the transactions under the New Master Supply and Services Agreement annually to ensure that, among other things, its terms are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and
- v. The Company will engage its auditor to report on the New Master Supply and Services Agreement annually, to confirm whether, among other things, price charged for each of the transactions selected were in accordance with the pricing terms set out in the agreements or the prices charged were consistent with the prices charged for comparable transactions, and the relevant annual caps have not been exceeded.

In respect of the above internal control measures, we have:

- i. randomly selected, obtained and reviewed the sample invoices of the Reference Transactions between the Group and its customers that are Independent Third Parties within the Review Period for the management of the Company to determine the quotation price of transactions between the Company and EFT Payments;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- ii. obtained and reviewed the list of transactions of EFT-POS terminals sold to Independent Third Parties during a period within six months prior to the Latest Practicable Date and reviewed the pricing of products supplied to EFT Payments such that products offered to EFT Payments was no less favourable to the Group than that offered to Independent Third Parties by the Group of the same nature;
- iii. obtained and reviewed the confirmation of annual review on continuing connected transactions by the independent non-executive directors for FY2020 and FY2021 for the purpose of ensuring the transactions contemplated under the Existing Master Supply and Services Agreement have been within the ordinary businesses of the Group, on normal commercial terms and in accordance with the Existing Master Supply and Services Agreement without exceeding the existing annual caps; and
- iv. obtained and reviewed the assurance reports issued by the auditor of the Company regarding the continuing connected transactions of the Group for FY2020 and FY2021.

In consideration of the above, we concur with the Directors that the internal control procedures are in place to ensure continuing connected transaction under the New Master Supply and Services Agreement will be conducted on normal commercial terms and the effective implementation of these measures shall safeguard the interests of the Company and the Independent Shareholders as a whole.

4. The Historical Transaction Amounts and Annual Caps

With reference to the Letter from the Board, the following tables set out (i) the existing annual caps under the Existing Master Supply and Services Agreement; (ii) the actual transaction amounts under the Existing Master Supply and Services Agreement; and (iii) the proposed annual cap under the New Master Supply and Services Agreement:

The actual transaction amounts under the Existing Master Supply and Services Agreement

	For the year ended 31 March 2020 HK\$'000 (audited)	For the year ended 31 March 2021 HK\$'000 (audited)	For the nine months ended 31 December 2021 HK\$'000 (unaudited)
Historical transaction amounts	<u>17,921</u>	<u>18,261</u>	<u>15,756</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The existing annual caps under the Existing Master Supply and Services Agreement

	For the year ended 31 March 2020 HK\$'000	For the year ended 31 March 2021 HK\$'000	For the year ending 31 March 2022 HK\$'000
Existing annual caps	<u>20,000</u>	<u>23,000</u>	<u>23,000</u>

The proposed annual caps under the New Master Supply and Services Agreement

	For the year ended 31 March 2023 HK\$'000	For the year ended 31 March 2024 HK\$'000	For the year ending 31 March 2025 HK\$'000
Proposed annual caps	<u>23,000</u>	<u>23,000</u>	<u>25,000</u>

As advised by the management of the Company, in determining the above annual caps, the Directors have considered (i) the historical purchase price and system support fees due from the Existing Master Supply and Services Agreement for each of the two years ended 31 March 2020 and 2021, and the nine months ended 31 December 2021; and (ii) the expected demand and/or sales and deployment of terminals for the year ending 31 March 2022 and the three years ending 31 March 2023, 2024 and 2025.

With reference to the table above, the historical transaction amounts paid by EFT Payments to the Group under the Existing Master Supply and Services Agreement were approximately HK\$17.9 million for the year ended 31 March 2020 and approximately HK\$18.3 million for the year ended 31 March 2021, which represents an increase of approximately 2.2%. For the nine months ended 31 December 2021, the transaction amounts between the Group and EFT Payments (i) has reached approximately HK\$15.8 million, of which the average monthly transaction amounts were approximately HK\$1.8 million, which represents a growth of approximately 20% as compared to the average monthly transaction amounts of approximately HK\$1.5 million for year ended 31 March 2021; and (ii) accounted for approximately 68.7% of the annual cap of HK\$23 million for the year ending 31 March 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the table above, we also noted that (i) the proposed annual cap for the year ending 31 March 2023 and 31 March 2024 (i.e. HK\$23 million) will remain the same as the existing annual cap for the year ending 31 March 2022 (i.e. HK\$23 million); and (ii) the proposed annual caps for the years ending 31 March 2025 (i.e. HK\$25 million) will be approximately 8.7% higher than the existing annual caps for the year ending 31 March 2022.

Having considered (i) the historical purchase price and system support fees paid under the Existing Master Supply and Services Agreement was approximately HK\$17.9 million for the year ended 31 March 2020 and approximately HK\$18.3 million for the year ended 31 March 2021, respectively; (ii) the transaction amounts between the Group and EFT Payments for the nine months ended 31 December 2021 accounted for approximately 68.5% of the annual cap of HK\$23 million; (iii) the service fee for system support service increases progressively depending on the number of the EFT-POS terminals deployed and the monthly service fee paid to the Group by EFT Payments for EFT-POS system support service based on the number of terminals deployed for the nine months ended 31 December 2021 amounted to approximately HK\$5.5 million; (iv) the software solution fees can vary depending on the size and complexity of the software solution being provided; (v) as stated under the section headed “2. Reasons for and benefits of entering into the New Master Supply and Services Agreement – Market outlook”, the SVF Statistics indicate that the scale of SVF transactions in Hong Kong exhibits an increasing trend in 2021 3Q and 2021 9M and therefore the demand of the EFT-POS terminals may be expected to grow, of which the total value of SVF transactions from point-of-sale spending payment have recorded YoY growth of approximately 65.9% from 2020 3Q to 2021 3Q and approximately 29.5% from 2020 9M to 2021 9M; and the total number of SVF accounts in use in Hong Kong has reached approximately 65.6 million in 2021 3Q and 193.7 million for 2021 9M, which represents a YoY growth of approximately 42.5% as compared to 2020 3Q and growth of approximately 1.2% compared to 2020 9M (please refer to the relevant section above in this letter for details); and (vi) the revenue generated from the sale of EFT-POS terminal and peripheral devices and system support and software solution services has been the principal source of income of the Company (please refer to section headed “1. Background information of the Group and EFT Payments” for the financial information of the Group) and entering into the New Master Supply and Services Agreement will be able to maintain the principal source of income of the Group, we are of the view and concur with the view of the management of the Company that the proposed annual caps under the New Master Supply and Services Agreement are fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATION

In light of the above principal factors and reasons, we are of the opinion that (i) the entering into of the New Master Supply and Services Agreement is in the ordinary and usual course of business of the Group; and (ii) the terms of the New Master Supply and Services Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the EGM to approve the New Master Supply and Services Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
ELSTONE CAPITAL LIMITED
Fanny Lee
Managing Director

Ms. Fanny Lee has been responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2006. She has participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.

GENERAL INFORMATION

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 Group. 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 respect and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the GEM Listing Rules were as follows:

Long positions in the Shares:

Name	Capacity	Notes	Total interests in ordinary Shares	Percentage of total number of issued Shares
Mr. Lo	Interest in a controlled corporation	1	348,455,000	72.59%
	Beneficial owner	1	2,765,000	0.58%
Ms. Lam Ching Man	Interest of spouse	2	351,220,000	73.17%

Notes:

1. Mr. Lo is interested in the entire issued share capital of LCK and he is therefore deemed to be interested in the 348,455,000 Shares held by LCK by virtue of the SFO.
2. Ms. Lam is the spouse of Mr. Lo and she is therefore deemed to be interested in the Shares held by Mr. Lo by virtue of the SFO.

GENERAL INFORMATION

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, to the knowledge of the Directors, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debentures 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 maintained by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any options in respect of such capital were as follows:

Long positions in the Shares:

Name of Shareholders	Capacity/Nature of interest	Number of Shares	Approximate percentage of issued Shares
LCK (<i>Note 1</i>)	Beneficial owner	348,455,000	72.59%

Note 1: The entire issued share capital of LCK is legally and beneficially owned by Mr. Lo who is deemed to be interested in the Shares held by LCK by virtue of the SFO.

Save as disclosed above, the Group has not been notified of any other relevant interests or short positions in the issued share capital of any member of the Group as at the Latest Practicable Date.

4. DIRECTORS' SERVICE CONTRACTS

As at Latest Practicable Date, none of the Directors has or is proposed to have a service contract with the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. INTEREST OF COMPETING BUSINESS

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

GENERAL INFORMATION

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2021, being the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

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

8. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement entered into by the Group, which is subsisting and is significant in relation to the business of the Group taken as a whole.

Save as disclosed in the announcement of the Company dated 22 April 2021 in relation to the discloseable and connected transaction in respect of acquisition of property, none of the Directors has any direct or indirect interest in any assets which have been since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. QUALIFICATIONS OF EXPERTS

The followings are the qualification of the expert who has given opinion or advice which are contained in this circular:

Name	Qualification
Elstone Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Elstone Capital Limited has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Elstone Capital Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

GENERAL INFORMATION

As at the Latest Practicable Date, Elstone Capital Limited did not have any direct or indirect interest in any assets which have been since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group.

10. GENERAL

- (a) The company secretary of the Company is Mr. Li Man Ho. Mr. Li Man Ho is a member of The Hong Kong Institute of Certified Public Accountants (“HKICPA”).
- (b) The compliance officer of the Company is Mr. Lo Chun Wa.
- (c) The registered office of the Company is at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (d) The head office and principal place of business of the Company in Hong Kong is at Workshops B1 & B3, 11/F, Yip Fung Industrial Building, 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong.
- (e) The share registrar of the Company is Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong.
- (f) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.eftsolutions.com from the date of this circular to and including the date of the EGM:

- (a) New Master Supply and Services Agreement;
- (b) Existing Master Supply and Services Agreement; and
- (c) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

EFT Solutions Holdings Limited 俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8062)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of EFT Solutions Holdings Limited (the “Company”) will be held at Workshop B1 & B3, 11/F, Yip Fung Industrial Building, 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong on Thursday, 31 March 2022 at 10:00 a.m., to consider and, if thought fit, to pass the following resolutions:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the New Master Supply and Services Agreement dated 17 February 2022 entered into between the Company and EFT Payments and the transactions contemplated thereunder and the annual caps be and are hereby ratified, confirmed and approved; and
- (b) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the New Master Supply and Services Agreement.”

Yours faithfully,

By order of the Board

EFT Solutions Holdings Limited

Lo Chun Kit Andrew

Chairman and Chief Executive Officer

Hong Kong, 16 March 2022

Notes:

- 1. Capitalised terms defined in the circular of the Company dated 16 March 2022 shall have the same meanings when used in this notice, unless the context otherwise requires.
- 2. In view of the current COVID-19 situation in Hong Kong, Shareholders will not be able to attend the EGM in person. Any Shareholder who does attempt to attend the EGM in person will be denied entry to the venue of the EGM. If Shareholders wish to exercise his/her/its voting rights at the EGM, he/she/it must appoint the chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the chairman of the EGM as proxy, Shareholders may give specific instructions as to voting in the form of proxy, failing which the chairman of the EGM, as proxy may cast the vote at his/her discretion. If a person who is not

NOTICE OF EXTRAORDINARY GENERAL MEETING

the chairman of the EGM is appointed as proxy, that person will not be permitted entry to the EGM and will not be able to exercise the vote. In any event, Shareholders will not be deprived of their rights of voting on the resolution(s) to be proposed at the EGM (or any adjournment thereof).

3. Any voting at the above meeting shall be taken by poll.
4. In the case of joint holders, the vote of the senior who tenders a vote by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
5. In order to be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof.
6. The transfer books and register of members will be closed from Friday, 25 March 2022 to Thursday, 31 March 2022, both days inclusive to determine the entitlement of the shareholders to attend the above meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong, not later than 4:30 p.m. on Thursday, 24 March 2022.
7. Shareholders will be able to view and listen to the EGM through a live webcast of the EGM which can be accessed on computers, tablets or any browser enabled devices. Shareholders will be able to access the live webcast at the start of the EGM until its conclusion. For Shareholders who would like to view and listen to the live webcast of the EGM, they will need to register with the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited ("**Share Registrar**"), by sending an email to proxy_lmshk@linkmarketservices.com or by contacting the Share Registrar via telephone hotline at (852) 3707 2600 during business hours (9:00 a.m. to 5:00 p.m., Monday to Friday, excluding Hong Kong public holidays) and provide their personal particulars, including full name, registered address, number of Shares held, Hong Kong Identity Card Number or passport number (in case of natural person)/company registration number (in case of body corporate), contact telephone number and e-mail address no later than 10:00 a.m. on 29 March 2022 (being not less than forty-eight (48) hours before the time appointed for holding the EGM) to enable the Company to verify the Shareholders' status. Authenticated Shareholders will receive an email confirmation on 29 March 2022 which contains a link to join the live webcast of the EGM. Shareholders **MUST NOT** forward the link to other persons who are not Shareholders and who are not entitled to attend the EGM.
8. Shareholders may submit any questions they may have in advance in relation to any resolutions set out in the notice of EGM by 10:00 a.m. on 29 March 2022 (being not less than forty-eight (48) hours before the time appointed for holding the EGM) via email to the Share Registrar at proxy_lmshk@linkmarketservices.com or via telephone hotline at (852) 3707 2600 during business hours (9:00 a.m. to 5:00 p.m., Monday to Friday, excluding Hong Kong public holidays), providing their personal particulars including full name, registered address, number of Shares held, Hong Kong Identity Card Number or passport number (in case of natural person)/company registration number (in case of body corporate), contact telephone number and e-mail address for verification purposes. Questions relevant to the business of the EGM will be addressed by the Board during the EGM.
9. As of the date of this notice, the Board comprises executive Directors Mr. Lo Chun Kit Andrew and Mr. Lo Chun Wa; non-executive Directors Ms. Lam Ching Man and Mr. Lui Hin Weng Samuel; and independent non-executive Directors Dr. Wu Wing Kuen, *B.B.S.*, Mr. Tso Ping Cheong Brian and Mr. Wong Ping Yiu.