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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in Casablanca Group Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**Casablanca Group Limited**

**卡撒天嬌集團有限公司**

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

**(Stock Code: 2223)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF NEW SHARE OPTION SCHEME,  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Unless otherwise defined, terms used in this cover shall have the same meanings as those defined in the circular.

A notice convening an annual general meeting of Casablanca Group Limited to be held at Conference Room, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 6 June 2022 at 2:30 p.m. is set out on pages 27 to 32 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.casablanca.com.hk](http://www.casablanca.com.hk)).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the annual general meeting if they so wish and, in such event, the proxy form shall be deemed to be revoked.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting:

1. Body temperature screening;
2. Use of surgical face masks;
3. Submission of Health Declaration Form – anyone who is subject to quarantine, has any flu-like symptoms, has travelled overseas within 14 days immediately before the Annual General Meeting, or has close contact with any person under quarantine or with recent travel history will not be admitted to the venue of the Annual General Meeting;
4. Appropriate distancing and spacing;
5. No provision of souvenir or gift; and
6. No provision of refreshments or drinks.

Attendees who do not comply with the precautionary measures referred to in (1) to (4) above may be denied entry to the Annual General Meeting venue. For the health and safety of Shareholders, the Company strongly encourages Shareholders **NOT to attend the Annual General Meeting in person**, and advises Shareholders to appoint the chairman of the Annual General Meeting as their proxy to vote according to their indicated voting instructions as an alternative to attending the Annual General Meeting in person.

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## DEFINITIONS

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

“Adoption Date”	the date on which all conditions to the New Share Option Scheme are satisfied, including but not limited to the New Share Option Scheme being adopted by ordinary resolution of the Shareholders at the Annual General Meeting
“Annual General Meeting”	the annual general meeting of the Company to be held at Conference Room, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 6 June 2022 at 2:30 p.m., the notice of which is set out on pages 27 to 32 of this circular
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chairman”	the chairman of the Board
“CHENG & CHENG”	CHENG & CHENG LIMITED, Certified Public Accountants
“close associate(s)”	has the meaning ascribed under the Listing Rules
“Company”	Casablanca Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholders”	World Empire, Mr. Cheng Sze Kin, Mr. Cheng Sze Tsan and Ms. Wong Pik Hung
“core connected person(s)”	has the meaning ascribed under the Listing Rules
“Director(s)”	the directors of the Company
“Eligible Participants”	any persons who are employees, executives or officers (including Directors, other than Independent Non-executive Directors) of the Group
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 22 October 2012
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate as defined in paragraph 2(a) of the letter from the Board in this circular
“Latest Practicable Date”	25 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company currently in force
“New Share Option Scheme”	the new share option scheme of the Company proposed to be adopted at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular
“Notice”	the notice convening the Annual General Meeting which is set out on pages 27 to 32 of this circular
“Options(s)”	the share option to be granted under the New Share Option Scheme
“Option Holder”	any Eligible Participant who accepts an offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so requires) the legal personal representative(s) of such Eligible Participant
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Repurchase Mandate”	the general mandate as defined in paragraph 2(b) of the letter from the Board in this circular
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which an Option Holder may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
“World Empire”	World Empire Investment Inc., a company incorporated in BVI with limited liability and a Controlling Shareholder of the Company as at the Latest Practicable Date

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## LETTER FROM THE BOARD

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**Casablanca Group Limited**

**卡撒天嬌集團有限公司**

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

**(Stock Code: 2223)**

*Executive Directors:*

Mr. Cheng Sze Kin (*Chairman*)  
Mr. Cheng Sze Tsan (*Vice-chairman and  
Chief Executive Officer*)  
Ms. Wong Pik Hung

*Registered Office:*

P.O. Box 309  
Ugland House  
Grand Cayman KY1-1111  
Cayman Islands

*Independent Non-executive Directors:*

Mr. Lo Siu Leung  
Dr. Cheung Wah Keung  
Mr. Chow On Wa

*Head Office and Principal Place  
of Business in Hong Kong:*

5/F Yan Hing Centre  
9-13 Wong Chuk Yeung Street  
Fotan  
New Territories  
Hong Kong

29 April 2022

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF NEW SHARE OPTION SCHEME,  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting for (i) the granting of the Issue Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the extension of Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; (iv) the re-election of retiring Directors; (v) the adoption of the New Share Option Scheme; and (vi) the termination of the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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### 2. ISSUE MANDATE AND ITS EXTENSION AND REPURCHASE MANDATE

At the last annual general meeting of the Company held on 21 May 2021, general mandates were granted to the Directors to issue and repurchase Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting for the Shareholders to consider, and if thought fit, approve the granting of new general mandates to the Directors:

- (a) to allot, issue or deal with additional Shares not exceeding 20% of the total number of the Shares of the Company as at the date of passing of such resolution (i.e. a total number of Shares not exceeding 51,570,800 Shares based on the issued share capital of the Company of 257,854,000 Shares as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the “Issue Mandate”);
- (b) to repurchase Shares on the Stock Exchange not exceeding 10% of the total number of the Shares of the Company as at the date of passing of such resolution (i.e. a total number of Shares not exceeding 25,785,400 Shares based on the issued share capital of the Company of 257,854,000 Shares as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the “Repurchase Mandate”); and
- (c) to extend the Issue Mandate by adding an amount representing the total number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate will continue to be in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions numbered 4 and 5 of the Notice set out on pages 27 to 32 of this circular. With reference to the Issue Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 16.18 of the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation and all the Directors who retire at the forthcoming annual general meeting shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

Ms. Wong Pik Hung and Mr. Lo Siu Leung will retire from office by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election at the same meeting.

Pursuant to Article 16.3 of the Articles, any Director elected and so appointed by ordinary resolution in general meeting shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Dr. Cheung Wah Keung and Mr. Chow On Wa will hold office only until the Annual General Meeting and shall then be eligible for re-election at the same meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director(s) in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the Directors proposed for re-election are set out in Appendix II to this circular.

The Board, having considered the view of the Nomination Committee (which has recommended the re-election of Ms. Wong Pik Hung as Executive Director with reference to the nomination policy), considers that Ms. Wong Pik Hung is able to contribute to the Board with her great understanding of the business of the Group, diversity of skillsets and extensive experience and knowledge together with solid business connections, and therefore recommends to the Shareholders the proposed re-election of Ms. Wong Pik Hung at the Annual General Meeting.

The Company has reviewed the annual confirmations of independence from Mr. Lo Siu Leung, Dr. Cheung Wah Keung and Mr. Chow On Wa. Recommendations to the Board for the proposed re-election of Mr. Lo Siu Leung, Dr. Cheung Wah Keung and Mr. Chow On Wa as Independent Non-executive Directors were made by the Nomination Committee of the Company, after having reviewed their suitability according to the assessment criteria as set out in the nomination policy adopted by the Company which includes, inter alia, the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Board, taking into account their past contributions to the Company and their individual attributes enhancing the Board's diversity as set out in the board diversity policy adopted by the Company and optimal composition (details as set out in their respective biographies in Appendix II to this circular), accepted the recommendations from the Nomination Committee of the Company and recommends to the Shareholders the proposed re-election of Mr. Lo Siu Leung, Dr. Cheung Wah Keung and Mr. Chow On Wa at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### 4. ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on 22 October 2012 and will expire on 21 October 2022. Therefore, the Directors propose to adopt the New Share Option Scheme, the principal terms of which are set out in Appendix III to this circular. In view of the impending expiry of the Existing Share Option Scheme, the Board proposes the adoption of the New Share Option Scheme so as to continue providing incentives or rewards to the Eligible Participants thereunder for his/her contributions to the success of the Group.

As at the Latest Practicable Date, the Company had 257,854,000 Shares in issue. Assuming that no further Shares will be issued or repurchased prior to the date of the Annual General Meeting, the total number of Shares which may be issued upon the exercise of all Options which may be granted under the New Share Option Scheme and any other schemes of the Company would be 25,785,400 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

Similar to the Existing Share Option Scheme, the New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the Board may, at its discretion, fix any minimum period for which an Option must be held, any performance targets that must be achieved and/or any other conditions (including the Subscription Price) that must be fulfilled before an Option can be exercised. The basis for determining the Subscription Price is also specified precisely in the New Share Option Scheme (please see paragraph 5 in Appendix III to this circular). The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participants to acquire equity interests in the Company. The Company will also implement appropriate exercise period arrangements so as to provide incentives to the Eligible Participants during the exercise period and thereby enable the Group to benefit from the continued contributions and services of the Eligible Participants during such period. No material amendments have been made to the New Share Option Scheme.

The Directors consider that it is not appropriate to disclose the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date prior to approval of the New Share Option Scheme as a number of variables which are crucial for the calculation of such value have not been determined at this stage. Such variables include but not limited to the Subscription Price, exercise period, lock-up period (if any), interest rate and expected volatility. The Directors believe that any calculation based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders in the circumstances.

The New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to (i) approve the adoption of the New Share Option Scheme; (ii) authorise the Directors to grant the Options under the New Share Option Scheme and to allot, issue and deal with the Shares which fall to be issued pursuant to the exercise of any Options under the New Share Option Scheme; and (iii) terminate the Existing Share Option Scheme; and

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## LETTER FROM THE BOARD

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- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of any Options under the New Share Option Scheme.

At the Annual General Meeting, an ordinary resolution will be proposed for approving the adoption of the New Share Option Scheme. Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued upon the exercise of any Options to be granted pursuant to the New Share Option Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any Options to any Eligible Participants under the New Share Option Scheme in the coming 12 months.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.casablanca.com.hk>) from 23 May 2022 (being a date not less than 14 days before the date of the Annual General Meeting) and up to and including the date of the Annual General Meeting and adjournment thereof (as the case may be), and will also be available for inspection at the Annual General Meeting.

### **5. TERMINATION OF EXISTING SHARE OPTION SCHEME**

The Directors propose to terminate the Existing Share Option Scheme upon the New Share Option Scheme becoming effective. An ordinary resolution will be proposed for the Shareholders to approve the termination of the Existing Share Option Scheme at the Annual General Meeting.

As at the Latest Practicable Date, options to subscribe for 5,250,000 Shares, which had been granted by the Company on 2 July 2020 with subscription price of HK\$0.48 and an exercisable period up to 1 July 2023, remained unexercised under the Existing Share Option Scheme.

Upon the termination of the Existing Share Option Scheme, no further options would be offered under the Existing Share Option Scheme but the Existing Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to such termination and any such options (to the extent not already exercised) shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme.

Other than the Existing Share Option Scheme, the Company did not maintain any other share option scheme as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### 6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The Notice is set out on pages 27 to 32 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, (i) the granting of the Issue Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the extension of Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; (iv) the re-election of retiring Directors; (v) the adoption of the New Share Option Scheme; and (vi) the termination of the Existing Share Option Scheme.

Pursuant to Rule 13.39(4) of the Listing Rules, save and except resolutions which relate to procedural or administrative matters, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the Annual General Meeting except where the chairman of the Annual General Meeting, 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. An announcement on the poll results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.casablanca.com.hk](http://www.casablanca.com.hk)). Whether or not you are able to attend the Annual General Meeting, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and in such event, your proxy form shall be deemed to be revoked.

### 7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the 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 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.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors consider that the proposals for the granting/extension of the Issue Mandate, the Repurchase Mandate, the re-election of retiring Directors and the adoption of the New Share Option Scheme are in the best interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all these resolutions to be proposed at the Annual General Meeting.

### 9. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 31 May 2022 to Monday, 6 June 2022 (both days inclusive), during which no transfer of Shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all completed transfer documents accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. (Hong Kong time) on Monday, 30 May 2022 (the last share registration date to determine shareholders' voting right).

Yours faithfully,  
On behalf of the Board  
**Casablanca Group Limited**  
**Cheng Sze Kin**  
*Chairman*

*The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.*

## **1. LISTING RULES RELATING TO REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

- (a) the shares proposed to be purchased by the company are fully-paid up;
- (b) the company has previously sent to its shareholders an explanatory statement complying with the provisions of Rule 10.06(1)(b) of the Listing Rules; and
- (c) the shareholders of the company have given a specific approval or a general mandate to the directors of the company to make such purchase, by way of an ordinary resolution which complies with the provisions of Rule 10.06(1)(c) of the Listing Rules and which has been passed at a general meeting of the company duly convened and held.

## **2. REASONS FOR REPURCHASE OF SHARES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have general authority from the Shareholders to enable the Company to repurchase the Shares in the market.

Repurchase of the Shares may, depending on the market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 257,854,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the Notice in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 257,854,000 Shares, the Directors will be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total number of the Shares not exceeding 25,785,400 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

**4. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles, the laws of the Cayman Islands (being the place of incorporation of the Company) and/or any other applicable laws, as the case may be.

The Company is empowered by the Memorandum and Articles to repurchase the Shares. The laws of the Cayman Islands provide that a purchase of Shares may be made (to the extent of the par value of such shares) out of profits, share premium account or the proceeds of a fresh issue of shares made for such purpose or out of capital provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the repurchase is authorised by the Memorandum and Articles; and that any premium payable on a repurchase of Shares may be made out of profits, the Company's share premium account or out of capital provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the purchase is authorised by its Memorandum and Articles.

The Company may not repurchase the Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

**5. IMPACT OF REPURCHASES**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2021, being the date to which the latest audited financial statements of the Company have been made up) in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels, which, in the opinion of the Directors, are from time to time appropriate for the Company.

**6. EFFECT OF THE TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the Controlling Shareholders collectively held 162,000,000 Shares, representing 62.83% of the total issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding of Controlling Shareholders will, based on their current shareholding, be increased to approximately 69.81% of the total issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase that may be made under the Repurchase Mandate. Assuming that there is no further issue of the Shares between the Latest Practicable Date and the date of repurchase of the Shares made by the Company, the exercise of the Repurchase Mandate in full will not result in the number of the Shares held by the public falling below 25% as required by Rule 8.08 of the Listing Rules. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding falling below such prescribed percentage.

#### **7. DIRECTORS, THEIR ASSOCIATES AND CORE CONNECTED PERSONS OF THE COMPANY**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors or any of their respective close associates have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

#### **8. THE DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Memorandum and Articles, the Listing Rules, the laws of the Cayman Islands and all other applicable laws.

**9. MARKET PRICES OF THE SHARES**

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange during each of the past 12 months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest (HK\$)</b>	<b>Lowest (HK\$)</b>
<b>2021</b>		
April	0.830	0.690
May	0.870	0.710
June	0.740	0.690
July	0.740	0.670
August	0.740	0.610
September	0.740	0.620
October	0.670	0.610
November	0.800	0.620
December	0.690	0.600
<b>2022</b>		
January	0.700	0.620
February	0.700	0.570
March	0.650	0.455
April (up to the Latest Practicable Date)	0.550	0.430

**10. REPURCHASES OF SHARES MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company or its subsidiaries during the six months ended on the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the Annual General Meeting, are provided below.

**(1) MS. WONG PIK HUNG (“MS. WONG”) – EXECUTIVE DIRECTOR**

Ms. Wong Pik Hung, aged 55, has been a Director of a subsidiary of the Group since August 1993. She was appointed as a Director on 2 April 2012 and re-designated as an Executive Director on 22 October 2012. She is currently the Director of all the subsidiaries of the Group incorporated in Hong Kong and BVI. She is responsible for strategic planning of the Group, in particular procurement and sales management in Hong Kong. She has over 25 years of experience in the bedding products industry. She obtained a diploma in international economic cooperation at the University of International Business and Economics in Beijing (對外經濟貿易大學). Ms. Wong is the spouse of Mr. Cheng Sze Kin and the sister-in-law of Mr. Cheng Sze Tsan, both of whom are also Executive Directors.

**Interests in Shares**

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Wong was the spouse of Mr. Cheng Sze Kin, who was interested in 40% of World Empire, and was interested in 25% of World Empire, which was in turn interested in 58.2% of the Company’s issued share capital. Therefore, Ms. Wong was deemed to be interested in such 58.2% of the Company’s issued share capital. Ms. Wong was also interested in 1.3% of the Company’s issued share capital and the options granted under the Existing Share Option Scheme to subscribe 1,400,000 shares of the Company. Ms. Wong was deemed to be interested in 1.7% of the Company’s issued share capital held by and the options granted to her spouse, Mr. Cheng Sze Kin, under the Existing Share Option Scheme to subscribe 1,400,000 shares of the Company. Save as disclosed above, Ms. Wong was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

**Director’s emolument**

Ms. Wong has renewed her service contract with the Company for a term of three years commencing from 1 April 2021, unless terminated by not less than three months’ notice in writing served by either party. The annual salary of Ms. Wong was HK\$2,509,000 with effect from 1 April 2022, subject to annual review of the Company’s Remuneration Committee. The emolument of Ms. Wong was determined with reference to the prevailing market rate of similar position and his qualifications, experience and duties and responsibilities within the Group. The Company may provide Ms. Wong with other benefits, which may be determined from time to time by the Company.

**Other information and matters that need to be disclosed or brought to the attention of the Shareholders**

Save as disclosed above, Ms. Wong has not held or did not hold any other directorship in listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; does not hold any other positions within the Group; does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company and has no information to disclose pursuant to any of the requirements under paragraphs 13.51(2) (h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Ms. Wong that need to be brought to the attention of the Shareholders.

**Suitability**

The Nomination Committee of the Company has assessed the suitability of Ms. Wong by reference to the Company's Directors' nomination policy and board diversity policy and considers Ms. Wong is a suitable candidate for holding a directorship of the Company.

**(2) MR. LO SIU LEUNG (“MR. LO”) – INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Lo Siu Leung, aged 44, was appointed as an Independent Non-executive Director on 9 April 2018. He has over 15 years of experience in auditing, accounting, tax and finance. Mr. Lo is a Chartered Financial Analyst. He is also a fellow member of each of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and The Institute of Chartered Accountants in England and Wales. He holds a master’s degree in Business Administration from The Hong Kong Polytechnic University.

**Interests in Shares**

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lo was interested in the options granted under the Existing Share Option Scheme to subscribe 250,000 shares of the Company. Save as disclosed above, Mr. Lo was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

**Director’s emolument**

As set out in the letter of re-appointment entered into by Mr. Lo and the Company dated 31 March 2022, the re-appointment was for a term of one year commencing from 1 April 2022 and ending on 31 March 2023, unless terminated by one month’s notice in writing served by either party. The annual Director’s emolument of Mr. Lo was HK\$246,000 with effect from 1 April 2022, subject to annual review by the Company’s Remuneration Committee. The emolument of Mr. Lo was determined with reference to the prevailing market rate of similar position and his qualifications, experience and duties and responsibilities within the Company. The Company may provide Mr. Lo with other benefits, which may be determined from time to time by the Company.

**Other information and matters that need to be disclosed or brought to the attention of the Shareholders**

Save as disclosed above, Mr. Lo has not held or did not hold any other directorship in listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; does not hold any other positions within the Group; does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company and has no information to disclose pursuant to any of the requirements under paragraphs 13.51(2) (h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Lo that need to be brought to the attention of the Shareholders.

**(3) DR. CHEUNG WAH KEUNG (“DR. CHEUNG”) – INDEPENDENT NON-EXECUTIVE DIRECTOR**

Dr. Cheung Wah Keung, aged 61, was appointed as an Independent Non-executive Director on 26 May 2017. He is currently the chairman of each of Shinhint Group and Tai Sing Industrial Company Limited. He has more than 30 years of experience in trading and manufacturing of consumer electronic products. Dr. Cheung is currently an independent non-executive director and the independent non-executive chairman of PanAsialum Holdings Company Limited (stock code: 2078) and an independent non-executive director of Sky Light Holdings Limited (stock code: 3882) and Activation Group Holdings Limited (stock code: 9919). The shares of above companies with stock code indicated are listed on the Stock Exchange.

Dr. Cheung holds a bachelor’s degree in business administration, a master’s degree in global political economy from The Chinese University of Hong Kong and a master’s degree in corporate governance, a doctorate degree in business administration from The Hong Kong Polytechnic University. He was awarded by the Federation of Hong Kong Industries as “Young Industrialist of Hong Kong” in 2005 and “Certificates of Merit in Directorship” by the Hong Kong Institutes of Directors in 2006. He has taken up a variety of roles, including the president of the Hong Kong Young Industrialists Council from 2015 to 2016, the chairman of the Advisory Board for Master of Corporate Governance of The Hong Kong Polytechnic University and a committee member of the Council of The Hang Seng University of Hong Kong.

**Interests in Shares**

As far as the Directors are aware, as at the Latest Practicable Date, Dr. Cheung was interested in the options granted under the Existing Share Option Scheme to subscribe 250,000 Shares. Save as disclosed above, Dr. Cheung was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

**Director’s emolument**

As set out in the letter of re-appointment entered into by Dr. Cheung and the Company dated 31 March 2022, the re-appointment was for a term of one year commencing from 1 April 2022 and ending on 31 March 2023, unless terminated by one month’s notice in writing served by either party. The annual Director’s emolument of Dr. Cheung was HK\$246,000 with effect from 1 April 2022, subject to annual review by the Company’s Remuneration Committee. The emolument of Dr. Cheung was determined with reference to the prevailing market rate of similar position and his qualifications, experience and duties and responsibilities within the Company. The Company may provide Dr. Cheung with other benefits, which may be determined from time to time by the Company.

**Other information and matters that need to be disclosed or brought to the attention of the Shareholders**

Save as disclosed above, Dr. Cheung has not held or did not hold any other directorship in listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; does not hold any other positions within the Group; does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company and has no information to disclose pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Dr. Cheung that need to be brought to the attention of the Shareholders.

**(4) MR. CHOW ON WA (“MR. CHOW”) – INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Chow On Wa, aged 60, was appointed as an Independent Non-executive Director on 26 May 2017. He is currently the director of JTF Development Limited which provides professional management and investment consulting services to various clients. Mr. Chow has over 20 years of experience in management of retail business of home accessories in the PRC. During 1986 to 2001, he worked for IKEA Group for 15 years. He was a general manager for India and Pakistan regional office of IKEA and subsequently stationed in the PRC. During 1995 to 2001, Mr. Chow was responsible for IKEA’s retail and operational management in the PRC and opened the first retail shopping mall in the PRC for IKEA Group in 1997. He established Amfield Consultants Limited, which engaged in consultancy on management and strategic planning in business and retailing in the PRC, in 2001. Mr. Chow established New Concept International Enterprise Limited, in 2004, which was engaged in retailing of home accessories across the PRC focusing on shopping malls and department stores, and mainly distributed internationally renowned brands, including Frette, Trussardi-home and Esprit-home etc., until its business was sold in 2013 to Li & Fung Limited, the shares of which were listed on the Stock Exchange (stock code: 494) and withdrawn from listing with effect from 28 May 2020. From 2013 to June 2016, Mr. Chow was a senior vice president of Global Brands Group Holding Limited, the shares of which are listed on the Stock Exchange (stock code: 787) after its spin-off from Li & Fung Limited in 2014, and was responsible for management of its multi-branded home accessory business covering all over Asia. Mr. Chow holds a bachelor’s degree in engineering from University of Manchester in the United Kingdom.

**Interests in Shares**

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chow was interested in the options granted under the Existing Share Option Scheme to subscribe 250,000 Shares. Save as disclosed above, Mr. Chow was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

**Director's emolument**

As set out in the letter of re-appointment entered into by Mr. Chow and the Company dated 31 March 2022, the re-appointment was for a term of one year commencing from 1 April 2022 and ending on 31 March 2023, unless terminated by one month's notice in writing served by either party. The annual Director's emolument of Mr. Chow was HK\$246,000 with effect from 1 April 2022, subject to annual review by the Company's Remuneration Committee. The emolument of Mr. Chow was determined with reference to the prevailing market rate of similar position and his qualifications, experience and duties and responsibilities within the Company. The Company may provide Mr. Chow with other benefits, which may be determined from time to time by the Company.

**Other information and matters that need to be disclosed or brought to the attention of the Shareholders**

Save as disclosed above, Mr. Chow has not held or did not hold any other directorship in listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; does not hold any other positions within the Group; does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company and has no information to disclose pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Chow that need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by the Shareholders at the Annual General Meeting:

**1. PURPOSE**

The New Share Option Scheme is a share incentive scheme and is established to provide incentive or reward to the Eligible Participants (as defined in paragraph 2 below) with an opportunity to acquire the equity interest in the Company, for their contributions to future development and expansion of, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

**2. WHO MAY JOIN**

The Eligible Participants under the New Share Option Scheme include employees, executives or officers (including Directors, other than Independent Non-executive Directors) of the Group.

**3. ACCEPTANCE OF OFFER**

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the acceptance of the option. To the extent that the offer to grant an option is not accepted by any acceptance date stated in the offer letter, being a date not later than 28 days after (i) the date of offer, or (ii) the date on which the conditions for the offer are satisfied, if any, by which the Eligible Participant must accept the offer, it shall be deemed to have been irrevocably declined.

**4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

At the time of adoption of the New Share Option Scheme, the aggregate number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company existing at such time must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (such 10% limit represents 25,785,400 Shares as at the Latest Practicable Date) (the “Scheme Mandate Limit”).

Options lapsed in accordance with the terms of the relevant schemes shall not be counted for the purpose of calculating the Scheme Mandate Limit which may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:

- (i) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of such Shareholders' approval of the refreshment of the Scheme Mandate Limit;
- (ii) Options previously granted under the New Share Option Scheme or any other schemes of the Company (including Options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised Options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed; and
- (iii) a circular regarding the proposed refreshment of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. If the Company conducts a share consolidation or sub-division after the Scheme Mandate Limit has been approved in a general meeting, the maximum number of Shares that may be issued upon exercise of all Options to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same.

The maximum number of Shares (issued and to be issued) upon exercise of the Options granted under the New Share Option Scheme and any other schemes of the Company (whether exercised, cancelled or outstanding) to any Eligible Participants in any 12-month period shall not exceed 1% of the total number of Shares in issue from time to time unless such grant is duly approved by an ordinary resolution of the Shareholders in general meeting at which the relevant Eligible Participant and his close associates (or his associates if the relevant Eligible Participant is a connected person) shall abstain from voting and the Company shall issue a circular in accordance with the relevant provisions of Chapter 17 of the Listing Rules.

Any grant of Options to a Director, chief executive, substantial shareholder of the Company, or any of their respective associates shall not be valid unless it has been approved by the Independent Non-executive Directors. Where the Options is to be granted to a substantial shareholder (or any of their respective associates), and the proposed grant of Options, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to the relevant Eligible Participant under the New Share Option Scheme and any other schemes of the Company in the past 12-month period up to and including the date of the proposed grant (i) representing in aggregate more than 0.1%

of the total number of Shares on the date of the proposed grant; and (ii) having an aggregate value (based on the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the proposed grant) exceeding HK\$5,000,000, the proposed grant shall be subject to the issue of a circular and the approval of the Shareholders in general meeting (taken on a poll) in accordance with the requirements of the Listing Rules at which such relevant Eligible Participant, his associates and all core connected persons of the Company must abstain from voting in favour at such meeting.

In calculating the aforesaid limits, the Options that have already lapsed shall not be counted.

#### **5. SUBSCRIPTION PRICE**

The Subscription Price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of its grant (and shall be stated in the offer letter), provided that it shall be at least the highest of (a) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares in the daily quotation sheets of the Stock Exchange for the five (5) Business Days immediately preceding the date of grant; and (c) the nominal value of a Share.

#### **6. RIGHTS ARE PERSONAL TO GRANTEE**

An Option shall be personal to the Option Holder and shall not be assignable or transferable, except as waived by the Stock Exchange. Unless otherwise provided, the Option Holders themselves shall have no right to vote at general meetings of the Company, or any dividend, distribution or other rights.

#### **7. TIME OF EXERCISE OF OPTION AND DURATION OF THE NEW SHARE OPTION SCHEME**

The grantee may exercise the Options during such period as may be determined by the Board (the period shall commence on the date on which the offer relating to such Option is duly approved by the Board in accordance with the New Share Option Scheme and expire in any event not later than the day falling ten (10) years from the date of grant of the Option). The New Share Option Scheme does not provide for any minimum period for which an Option must be held before it can be exercised.

The Options granted under the New Share Option Scheme are not transferable and Options not exercised within the exercisable period will lapse and cease to be of further effect.

**8. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of Options will rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of allotment.

**9. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration to the structure of the Company whilst any Option remains exercisable, arising from capitalisation issue, rights issue, consolidation, redenomination, subdivision or reduction of share capital of the Company, adjustments (if any) shall be made to, subject to any Options so far as unexercised, the number of Shares and/or the Subscription Price and/or the method of exercise of the option and/or any combination thereof as the auditors of the Company or an independent financial advisor shall certify in writing to the Board to be in compliance with Rule 17.03(13) of the Listing Rules and the note thereto. Any such adjustments will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company as to which that grantee was previously entitled, and in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. No adjustments shall be made to the Subscription Price or the number of Shares to the benefit of any Eligible Participant without the approval by ordinary resolution of the Shareholders of the Company.

**10. EXPIRY OF OPTION**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the exercise period to be determined and notified by the Board to the grantee;
- (ii) the date, or the expiry of the extended period as allowed, on which the grantee ceases to be an Eligible Participant for any reason, dies or becomes permanently disabled. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive;
- (iii) the expiry of period subject to a relevant compromise or arrangement for take-over, restructure or amalgamation;
- (iv) the date of commencement of the winding-up of the Company;

- (v) the date on which the grantee commits a breach of an act being not allowed to in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option, except as waived by the Stock Exchange;
- (vi) the date on which the Board shall exercise the Company's right to cancel the Option in accordance with paragraph 12 below; or
- (vii) the non-fulfilment of any condition upon (a) the passing of an ordinary resolution by the Shareholders to (1) approve the adoption of the New Share Option Scheme; (2) authorise the Directors to grant the Options under the New Share Option Scheme and to allot, issue and deal with the Shares which fall to be issued pursuant to the exercise of any Options under the New Share Option Scheme; and (3) terminate the Existing Share Option Scheme; and (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of any Options under the New Share Option Scheme.

#### **11. ALTERATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of Options granted, which shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme.

#### **12. CANCELLATION OF OPTIONS GRANTED**

The Board may cancel an Option granted but not exercised with the approval of the grantee of such Option.

#### **13. TERM OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall be valid and effective for a period of 10 years commencing after the Adoption Date, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of the 10 year period referred to in this paragraph, the provisions of the New Share Option Scheme shall remain in full force and effect.

**14. TERMINATION OF THE NEW SHARE OPTION SCHEME**

The Company may by resolution in general meeting or the Board may at any time terminate the New Share Option Scheme and in such event no further Option shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**15. ADMINISTRATION OF THE BOARD**

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

**16. DISCLOSURE IN ANNUAL AND INTERIM REPORTS**

The Company will disclose details of the New Share Option Scheme in its annual and interim reports including the number of Options, date of grant, Subscription Price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

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## NOTICE OF ANNUAL GENERAL MEETING

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**Casablanca Group Limited**

**卡撒天嬌集團有限公司**

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

**(Stock Code: 2223)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Casablanca Group Limited (the “Company”) will be held at Conference Room, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 6 June 2022 at 2:30 p.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the directors’ report and the independent auditor’s report of the Company for the year ended 31 December 2021.
2.
  - (a) To re-elect Ms. Wong Pik Hung as an Executive Director of the Company;
  - (b) To re-elect Mr. Lo Siu Leung as an Independent Non-executive Director of the Company;
  - (c) To re-elect Dr. Cheung Wah Keung as an Independent Non-executive Director of the Company;
  - (d) To re-elect Mr. Chow On Wa as an Independent Non-executive Director of the Company; and
  - (e) To authorise the board of directors (“Board”) of the Company to fix the remuneration of the directors of the Company.
3. To re-appoint CHENG & CHENG LIMITED, Certified Public Accountants, as auditor of the Company and authorise the Board to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined below) of all powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company, and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers, subject to all applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of option under a share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees of the Company or the Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company;
  - (iii) the exercise of rights of subscription or conversion under the terms of any warrants or any securities, which carry rights to subscribe for or are convertible into shares of the Company, issued by the Company; and
  - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued Shares of the Company as at the date of passing this resolution and the said mandate shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

“Rights Issue” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong).

5. To consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Stock Exchange and the Hong Kong Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company to be purchased or otherwise acquired by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period (as defined below) shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
  - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
6. To consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set in items 4 and 5 of the notice convening the annual general meeting (the “Notice”), the general mandate referred to in the resolution set out in item 4 of the Notice be and is hereby extended by the addition to the total number of the Company’s shares (“Shares”) which may be allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to such general mandate of an amount representing the total number of Shares purchased or otherwise acquired by the Company pursuant to the general mandate referred to in the resolution set out in item 5 of the Notice, provided that such extended amount shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing this resolution.”

7. To consider, and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares to be issued and allotted by the Company under the proposed share option scheme of the Company (the “New Share Option Scheme”, a copy of which has been produced to the meeting marked ‘A’ and initialed by the chairman of the meeting for the purpose of identification):

- (a) the New Share Option Scheme be and is hereby approved and adopted as the Company’s share option scheme and the Directors of the Company be and are hereby authorised to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the New Share Option Scheme subject to the terms of the New Share Option Scheme and Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time); and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the Directors of the Company be and are hereby authorised to grant options to subscribe for Shares in accordance with the rules of the New Share Option Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the New Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors of the Company deem fit.”
8. To consider, and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** from the date of the New Share Option Scheme as referred to in the resolution numbered 7 above becoming effective, the existing share option scheme adopted by the Company pursuant to a resolution passed by the then shareholders of the Company on 22 October 2012 (the “Existing Share Option Scheme”) be cancelled and terminated and cease to have any further effect save for and except that the Existing Share Option Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to the termination thereof.”

By Order of the Board  
**Casablanca Group Limited**  
**Cheng Sze Kin**  
*Chairman*

Hong Kong, 29 April 2022

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (a) Any Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on behalf of him/her. A proxy needs not be a Shareholder. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
- (b) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting and, in such event, the form of proxy shall be deemed to be revoked.
- (c) The register of members of the Company will be closed from Tuesday, 31 May 2022 to Monday, 6 June 2022 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all completed transfer documents accompanying with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. (Hong Kong time) on Monday, 30 May 2022 (the last share registration date to determine shareholders' voting right).
- (d) Where there are joint registered holders of any Shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.
- (e) Please refer to Appendix II to the circular of the Company dated 29 April 2022 for the details of the retiring/proposed Directors subject to re-election and election at the Annual General Meeting.
- (f) Concerning Resolution 7 above, approval is being sought from members for adoption of the New Share Option Scheme of the Company. Summary of the principal terms of the New Share Option Scheme are set out in Appendix III to the Circular.
- (g) If Typhoon Signal No. 8 or above is hoisted, or a "black" rainstorm warning signal or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in force in Hong Kong at or at any time after 9:00 a.m. on the date of the Annual General Meeting, the meeting will be postponed. The Company will post an announcement on the website of the Company ([www.casablanca.com.hk](http://www.casablanca.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify Shareholders of the date, time and venue of the rescheduled meeting.

*As at the date of this notice, the Board comprises Mr. Cheng Sze Kin (Chairman), Mr. Cheng Sze Tsan (Vice-chairman) and Ms. Wong Pik Hung as the Executive Directors; and Mr. Lo Siu Leung, Dr. Cheung Wah Keung and Mr. Chow On Wa as the Independent Non-executive Directors.*