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

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

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FOURACE
科利

FOURACE INDUSTRIES GROUP HOLDINGS LIMITED

科利實業控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1455)

**PROPOSALS FOR
DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF AGM**

Unless the context requires otherwise, terms used in this cover shall have the same meaning as those in the circular.

A notice convening the annual general meeting (the “AGM”) of Fourace Industries Group Holdings Limited (the “Company”) to be held at Opera Room III, B3, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 9 August 2023 at 11:00 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the AGM is enclosed with this circular. The form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.fourace.com).

Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish. The Company reminds that any Shareholder may appoint the chairman of the AGM as his/her/its proxy to vote on the relevant resolution(s) at the AGM as an alternative to attending the AGM in person.

10 July 2023

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held and convened at Opera Room III, B3, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 9 August 2023 at 11:00 a.m. or any adjournment thereof
“Articles of Association”	the second amended and restated articles of association of the Company as amended from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Fourace Industries Group Holdings Limited, a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1455)
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	3 July 2023, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular
“Listing Date”	15 September 2020, the date on which the Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Issue Mandate”	the general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and otherwise deal with Shares not exceeding 20% of the number of issued Shares at the date of the passing of the resolution approving such mandate
“Share Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the number of issued Shares at the date of the passing of the resolution approving such mandate
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

LETTER FROM THE BOARD



FOURACE INDUSTRIES GROUP HOLDINGS LIMITED

科利實業控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1455)

Executive Directors:

Mr. Li Shu Yeh

(Chairman and chief executive officer)

Ms. Li Sen Julian

Ms. Tang Suk Yee

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681 Grand Cayman

KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Liu Kai Yu Kenneth

Mr. Leung Wai Chuen

Mr. Man Yun James

Principal Place of Business

in Hong Kong:

Unit No. 1107

11/F Manhattan Centre

8 Kwai Cheong Road

Kwai Chung, New Territories

Hong Kong

10 July 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF AGM**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information relating to the proposals for (i) declaration of final dividend and special dividend; (ii) granting of the Share Issue Mandate and Share Repurchase Mandate, and the extension of the Share Issue Mandate by addition thereto of the number of Shares repurchased pursuant to the Share Repurchase Mandate; (iii) the re-election of retiring Directors; and (iv) giving the Shareholders the notice of the AGM.

LETTER FROM THE BOARD

2. DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND

As stated in the annual results announcement of the Company dated 28 June 2023, the Board has resolved to recommend the payment of a final dividend and a special dividend of HK1.5 cents per Share and HK0.8 cent per Share respectively for Shareholders whose names appear on the register of members of the Company on Wednesday, 16 August 2023 (the “**Proposed Final Dividends**”). The Proposed Final Dividends are subject to approval of the Shareholders at the AGM and if approved, is expected to be paid on or around 31 August 2023.

For determining the entitlement to the Proposed Final Dividends, the register of members of the Company will be closed from Tuesday, 15 August 2023 to Wednesday, 16 August 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to establish the entitlement of Shareholders to receive the Proposed Final Dividends, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, 14 August 2023.

3. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting held on 9 August 2022, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to allot, issue and deal with Shares not exceeding 20% of the total number of the Shares in issue as at the date of passing of the resolution. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM. An ordinary resolution will be proposed at the AGM to grant a general mandate to the Directors to allot, issue and otherwise deal with additional Shares up to a limit equal to 20% of the total number of issued Shares as at the date of passing of the ordinary resolution.

As at the Latest Practicable Date, the number of issued Shares of the Company was 1,278,562,500 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the date of passing of the resolution approving the Share Issue Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate will be 255,712,500 Shares, representing 20% of the total number of issued Shares of the Company as at the date of passing of the resolution approving the Share Issue Mandate.

In addition, a separate ordinary resolution will also be proposed to approve the extension of the Share Issue Mandate by adding to the total number of Shares which may be allotted and issued by the Directors pursuant to the Share Issue Mandate by the number of Shares representing such number of Shares repurchased under the Share Repurchase Mandate.

LETTER FROM THE BOARD

4. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting held on 9 August 2022, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares not exceeding 10% of the total number of the Shares in issue as at the date of passing of the resolution. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM. An ordinary resolution will be proposed at the AGM to grant the Share Repurchase Mandate to the Directors, which will allow them to cause the Company to repurchase Shares of up to 10% of the total number of issued Shares as at the date of passing of the ordinary resolution approving the Share Repurchase Mandate.

As at the Latest Practicable Date, the number of issued Shares of the Company was 1,278,562,500 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the date of passing of the ordinary resolution approving the Share Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate will be 127,856,250 Shares, representing 10% of the total number of issued Shares of the Company as at the date of passing of the resolution approving the Share Repurchase Mandate.

The Share Repurchase Mandate, if granted, will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or by other applicable law; and (c) the date on which the authority given under the ordinary resolution approving the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders.

An explanatory statement containing information relating to the Share Repurchase Mandate as required pursuant to the Listing Rules is set out in Appendix I to this circular.

5. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consisted of six Directors, namely Mr. Li Shu Yeh, Ms. Li Sen Julian, Ms. Tang Suk Yee as executive Directors, and Mr. Liu Kai Yu Kenneth, Mr. Leung Wai Chuen and Mr. Man Yun James as independent non-executive Directors.

Pursuant to Article 84 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years and shall then be eligible for re-election. Accordingly, Mr. Leung Wai Chuen and Mr. Man Yun James both an independent non-executive Director, shall retire at the AGM and being eligible, offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

Each of Mr. Leung Wai Chuen and Mr. Man Yun James has confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The nomination committee of the Company assessed the independence and integrity of Mr. Leung Wai Chuen and Mr. Man Yun James based on the independence criteria as set out in Rule 3.13 of the Listing Rules, and affirmed that they remained independent to the Company.

The Board and Nomination Committee of the Company took into account the Board's composition as well as the nomination principles and criteria set out in the Company's Board diversity policy and Directors' nomination policy (including Board succession and refreshment), and the qualifications, skills, character, integrity, experience and the overall contribution to the Company of each of retiring Director; and consider that each of the retiring Director will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. Therefore, the Board (under the recommendation of the Nomination Committee of the Company) proposed each of the retiring Director to stand for re-election as Director at the AGM.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

6. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 15 to 19 of this circular.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fourace.com). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish.

7. VOTING ARRANGEMENTS

All the resolutions put to vote at the AGM shall be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and Article 66(1) of the Articles of Association, except where the chairman, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules and the Articles of Association.

An announcement on the poll results of the AGM will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

8. 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other material matters the omission of which would make any statement herein or this circular misleading.

9. RECOMMENDATION

The Directors consider that (i) the declaration of final dividend and special dividend; (ii) the grant of the Share Issue Mandate; (iii) the grant of the Share Repurchase Mandate; (iv) the extension of the Share Issue Mandate; and (v) the re-election of the retiring Directors as set out respectively in the notice of the AGM are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all such resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Fourace Industries Group Holdings Limited
Li Shu Yeh
Chairman and Chief Executive Officer

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Share Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there were in issue a total of 1,278,562,500 Shares.

Under the Share Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the total number of Shares in issue on the date of passing of the resolution approving the Share Repurchase Mandate. Assuming no further Shares will issued or repurchased after the Latest Practicable Date and before the AGM, there will be 1,278,562,500 Shares in issue, and exercise in full of the Share Repurchase Mandate would result in up to a maximum of 127,856,250 Shares being repurchased by the Company.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

3. FUNDING OF REPURCHASES

The Company is empowered by its Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the laws of the Cayman Islands and/or other applicable laws, as the case may be. The Directors propose that such repurchases of Shares (if any) will be appropriately financed by the Company's distributable profits.

4. IMPACT OF REPURCHASE

There could be adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2023) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level.

5. SHARE PRICES

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

	Share Prices (per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
June	0.255	0.208
July	0.216	0.207
August	0.217	0.195
September	0.211	0.194
October	0.198	0.187
November	0.229	0.188
December	0.240	0.219
2023		
January	0.248	0.222
February	0.255	0.233
March	0.250	0.240
April	0.270	0.246
May	0.230	0.203
June	0.260	0.231
July (up to the Latest Practicable Date)	0.234	0.234

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, the exercise of the power of the Company to make repurchases pursuant to the Share Repurchase Mandate will be in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. INTENTION OF DIRECTORS AND CORE CONNECTED PERSONS TO SELL SHARES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has a present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No core connected person has notified the Company that he or she or it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Company is authorised to make repurchases of the Shares under the Share Repurchase Mandate.

8. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following substantial shareholders and their associates were interested in 10% or more of the number of issued Shares as recorded in the register required to be kept by the Company, pursuant to section 336 of the SFO:

Name of Shareholder	Number of Shares held	Percentage of number of Shares	Percentage of number of Shares (assuming the Share Repurchase Mandate is exercised in full)
Ace Champion Inc.	468,750,000	36.70%	40.74%
Forever Golden Inc.	468,750,000	36.70%	40.74%
Mr. Li Shu Yeh	468,750,000	36.70%	40.74%
Ms. Sit Hor Wan	468,750,000	36.70%	40.74%
Ms. Chan Pan Pan	468,750,000	36.70%	40.74%
Mr. Loo Kin Kuen Stephen	468,750,000	36.70%	40.74%
Ms. Li Sen Julian	3,812,500	0.30%	0.33%

Notes:

- (1) Ace Champion Inc. was the legal and beneficial owner of 468,750,000 Shares, representing approximately 36.7% of the issued share capital of the Company as at the Latest Practicable Date.
- (2) Forever Golden Inc. was the legal and beneficial owner of 468,750,000 Shares, representing approximately 36.7% of the issued share capital of the Company as at the Latest Practicable Date.
- (3) As at the Latest Practicable Date, Ace Champion Inc. was legally and beneficially owned by Mr. Li Shu Yeh as to 100% of its issued share capital. Mr. Li Shu Yeh was deemed to be interested in the Shares in which Ace Champion Inc. was interested pursuant to Part XV of the SFO.
- (4) As at the Latest Practicable Date, the entire issued share capital of Forever Golden Inc. was legally and beneficially owned by Ms. Sit Hor Wan, who was deemed to be interested in all the Shares held by Forever Golden Inc. by virtue of Part XV of the SFO.
- (5) Ms. Chan Pan Pan is the spouse of Mr. Li Shu Yeh. Therefore, Ms. Chan Pan Pan is deemed to be interested in the Shares in which Mr. Li Shu Yeh is interested under Part XV of the SFO.

- (6) Mr. Loo Kin Kuen Stephen is the spouse of Ms. Sit Hor Wan. Therefore, Mr. Loo Kin Kuen Stephen is deemed to be interested in the Shares in which Ms. Sit Hor Wan is interested under Part XV of the SFO.
- (7) Ms. Li Sen Julian is the daughter of Mr. Li Shu Yeh, the chairman, an executive Director and a controlling shareholder of the Company.

In the event that the Directors exercise the Share Repurchase Mandate in full, the interests of the substantial shareholders in the Company will be increased to approximately the percentages as set out in the table above. As at the Latest Practicable Date, each of Ace Champion Inc. and Forever Golden Inc. was interested in 468,750,000 Shares, representing approximately 36.70% of the issued share capital of the Company. Should the Share Repurchase Mandate be exercised in full, each of Ace Champion Inc.'s and Forever Golden Inc.'s interest in the Shares would be increased to approximately 40.74% of the issued share capital of the Company. Accordingly, as the "2% creeper" would be exceeded, an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code would be triggered on each of Ace Champion Inc. and Forever Golden Inc., and the concert party(ies) of each of them. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any share repurchases pursuant to the Share Repurchase Mandate. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code to make a mandatory offer.

The Directors do not intend to repurchase Shares to the extent that less than 25% of the Company's issued share capital would be held by public (as defined in the Listing Rules).

9. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. LEUNG Wai Chuen (梁偉泉) (“Mr. Leung”), aged 57, was appointed as the independent non-executive Director and joined the Group on 21 August 2020. Mr. Leung is the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Company. He is primarily responsible for the provision of independent advice to the Board. He has over 26 years of experience in auditing, accounting and financial management and company secretarial matters.

Mr. Leung has been the company secretary of Grand Ming Group Holdings Limited, a company the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1271) and principally engages in providing building construction services where he has been responsible for the overall company secretarial matters since 2013. From November 2017 to August 2019, Mr. Leung served as a non-executive director of MOS House Group Limited, a company the shares of which are listed on the Stock Exchange (stock code: 1653) with a principal business of retail and supply of overseas manufactured tiles in Hong Kong, during which he was responsible for supervising and providing strategic advice to the group. He worked as a chief financial officer at Tang Palace (China) Holdings Limited (stock code: 1181), a company the shares of which are listed on the Main Board of the Stock Exchange from 2009 to 2012, and served the same at Sinobest Technology Holdings Ltd (currently known as OKH Global Ltd., the shares of which are listed on the Main Board of the Singapore Exchange (stock code: S3N)) from 2005 to 2008 where he was primarily responsible for their overall financial and accounting management. Mr. Leung served at Neo-Neon Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1868), as a financial controller from December 2008 to May 2009 and as a non-executive director from June 2009 to September 2010, responsible for supervising and providing strategic advice to the group. Mr. Leung also served as a financial controller at WLS Holdings Limited, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8021) from 2001 to 2004, where he was responsible for overseeing their financial matters. From 2000 to 2001, he was an accountant at China Overseas Land & Investment Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 688) where he was primarily responsible for its financial reporting management. Prior to this, Mr. Leung held senior finance or audit positions in several private companies from 1992 to 2000. From 1989 to 1992, Mr. Leung served as an accountant and subsequently an audit senior at Price Waterhouse (now known as PricewaterhouseCoopers), an international accounting firm, where he was primarily responsible for auditing.

Mr. Leung has been an independent non-executive director of E Lighting Group Holdings Limited, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8222), since September 2014.

Mr. Leung has been a member of the Hong Kong Institute of Certified Public Accountants since December 1993, a fellow of the Association of Chartered Certified Accountants of the United Kingdom since October 1998, an associate of the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) since November 2004 and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) since November 2004 respectively.

Mr. Leung obtained his bachelor of social sciences degree from the University of Hong Kong in December 1989. He received his master of business administration degree jointly awarded by the University of Wales and the University of Manchester in the United Kingdom in July 2001 through distance learning and his master of business (logistics management) degree from the Royal Melbourne Institute of Technology (now known as RMIT University) in Australia in September 2007 through distance learning.

Mr. Leung entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Pursuant to the appointment letter, he is entitled to receive an annual remuneration of HK\$252,000 which was determined by the Board with reference to his duties and responsibilities within the Group, his experience and qualifications, the Company's remuneration policy and prevailing market conditions, and will be subject to review from time to time.

As at the Latest Practicable Date, Mr. Leung does not hold any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. MAN Yun James (文恩) (“Mr. Man”), aged 66, was appointed as the independent non-executive Director and joined the Group on 21 August 2020. Mr. Man is the chairman of the remuneration committee and a member of the nomination committee and audit committee of the Company. He is primarily responsible for the provision of independent advice to the Board. He has over 25 years of experience in manufacturing of electrical appliances.

Mr. Man worked at Manuick Industrial Company Limited, a manufacturer of electrical appliances, from March 1984 to January 2004, with his last position as a director, responsible for administration and management of factory affairs, supervision of research and development and design of new products, quality control and customers relations. From May 1981 to March 1984, he served as an electrical engineer of Sun Cupid Industries Limited, a company principally engages in the manufacture of small electrical appliances on an OEM/ODM basis exporting to multinational customers, where he was responsible for customer relations, product design, development of products and safety and quality control. Mr. Man had worked as an engineer in several private companies from January 1979 to May 1981, responsible primarily for development of products and safety and quality control.

Mr. Man obtained his bachelor of science degree in engineering from The University of Hong Kong in Hong Kong in November 1978.

Mr. Man entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Pursuant to the appointment letter, he is entitled to receive an annual remuneration of HK\$252,000 which was determined by the Board with reference to his duties and responsibilities within the Group, his experience and qualifications, the Company's remuneration policy and prevailing market conditions, and will be subject to review from time to time.

As at the Latest Practicable Date, Mr. Man does not hold any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, each of the Directors above: (i) did not hold any directorship in the last three years in other public companies that the securities of which are listed on any securities market in Hong Kong or overseas; (ii) did not have any other relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) did not hold any other position with the Company or other members of the Group.

Save as disclosed above, as at the Latest Practicable Date, there was no information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there were no other matters concerning the proposed re-election of each of the Directors above that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



FOURACE INDUSTRIES GROUP HOLDINGS LIMITED

科利實業控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1455)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Fourace Industries Group Holdings Limited (the “**Company**”) will be held at Opera Room III, B3, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 9 August 2023 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and the independent auditors of the Company for the year ended 31 March 2023;
2. To declare a final dividend of HK1.5 cents and a special dividend of HK0.8 cent per ordinary share of the Company (the “**Share(s)**”) for the year ended 31 March 2023;
3. (a) (i) To re-elect Mr. Leung Wai Chuen as an Independent Non-executive Director;

(ii) To re-elect Mr. Man Yun James as an Independent Non-executive Director;

(b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
4. To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorise the Board to fix their remuneration; and

To consider and if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

5. “**THAT:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares in the capital of the Company, and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

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- (ii) the approval in paragraph (i) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to the approval in paragraph (i) or (ii) of this resolution no. 5 above, otherwise than pursuant to:
 - (1) a Rights Issue (as hereinafter defined);
 - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
 - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles of Association**”) in force from time to time; or
 - (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

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

- (iv) for the purpose of this resolution no. 5:
 - (1) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - a. the conclusion of the next annual general meeting of the Company;
 - b. the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the Articles of Association to be held; or

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c. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

(2) “**Rights Issue**” means an offer of Shares, or an offer or issue of warrants, options or other securities which carry a right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (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, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognized regulatory body or any stock exchange applicable to the Company).”

6. “**THAT:**

(i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange in accordance with all applicable laws including The Codes on Takeovers and Mergers and Share Buy-Backs and The Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;

(ii) the aggregate number of Shares, which may be repurchased pursuant to the approval in paragraph (i) above of this resolution no. 6 during the Relevant Period shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing of this resolution no. 6, and the said approval shall be limited accordingly; and

(iii) for the purpose of this Resolution:

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

(1) the conclusion of the next annual general meeting of the Company;

(2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the Articles of Association to be held; or

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- (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of the resolutions nos. 5 and 6, the general mandate referred to in the resolution no. 5 be and is hereby extended by the addition to the aggregate number of 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 aggregate number of Shares repurchased or otherwise acquired by the Company pursuant to the general mandate pursuant to resolution no. 6, 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.”

For and on behalf of the Board
Fourace Industries Group Holdings Limited
Li Shu Yeh
Chairman and Chief Executive Officer

Hong Kong, 10 July 2023

Notes:

1. All resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Company’s Articles of Association, except where the Chairman, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.fourace.com) in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her/its stead. A proxy need not be a shareholder of the Company. 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.
3. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In order to be valid, the 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 of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the AGM or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked proxy will not preclude a member from attending the AGM and voting in person if he so wishes.

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5. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed Friday, 4 August 2023 to Wednesday, 9 August 2023 (both dates inclusive), during such period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 3 August 2023.
6. For determining the entitlement to the Proposed Final Dividends (subject to approval by the shareholders at the AGM), the register of members of the Company will be closed from Tuesday, 15 August 2023 to Wednesday, 16 August 2023 (both dates inclusive), during such period no transfer of shares will be registered. In order to qualify for the Proposed Final Dividends, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 14 August 2023.
7. References to time and dates in this notice are to Hong Kong time and dates.