

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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# **Liu Chong Hing Investment Limited**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00194)**

## **RE-ELECTION OF DIRECTORS AND GENERAL MANDATES FOR THE BUY-BACK AND ISSUE OF SHARES**

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A letter from the Chairman of Liu Chong Hing Investment Limited is set out on pages 3 to 6 of this circular. A notice convening the annual general meeting of Liu Chong Hing Investment Limited to be held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Thursday, 23 May 2024 was enclosed within the Company's 2023 Annual Report.

Whether or not you intend to attend the said meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy shall not preclude shareholders from attending and voting at the annual general meeting or any adjourned meeting should you so desire.

11 April 2024

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## DEFINITIONS

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

“AGM”	means the annual general meeting of the Company to be convened and held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Thursday, 23 May 2024;
“AGM Notice”	means the notice of the AGM set out on pages 145 to 151 of the Company’s 2023 Annual Report, for the Shareholders to consider, and if thought fit, to approve resolutions including but not limited to the general mandates to issue and buy back Shares;
“Articles of Association”	means the articles of association adopted by the Company, and as amended, from time to time by resolution of the Shareholders;
“Board”	means the board of Directors or a duly authorised committee thereof;
“Buy-back Mandate”	means the proposed mandate to the Directors to buy back Shares pursuant to Ordinary Resolution No. 6 as set out in the AGM Notice in its present or any amended form;
“close associate”	shall have the meaning ascribed to it under the Listing Rules;
“Company”	means Liu Chong Hing Investment Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
“Core Connected Persons”	shall have the meaning ascribed to it under the Listing Rules;
“Directors”	means the directors (including non-executive directors and independent non-executive directors) of the Company;
“Group”	means the Company and its Subsidiaries for the time being;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	means 27 March 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	means Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

## DEFINITIONS

“Ordinary Resolution(s)”	means the proposed ordinary resolution(s) as referred to in the AGM Notice;
“Share(s)”	means ordinary share(s) in the Company;
“Shareholder(s)”	means holder(s) of Share(s);
“Share Issue Mandate”	means the proposed mandate to the Directors to issue Shares pursuant to Ordinary Resolution No. 7 as set out in the AGM Notice in its present or any amended form;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a subsidiary within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the time being of the Company;
“Takeovers Code”	means The Codes on Takeover and Merges and Share Buy-backs;
”HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	means per cent.



# Liu Chong Hing Investment Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 00194)

*Executive Directors:*

Mr. Liu Lit Chi (*Chairman, Managing Director and Chief Executive Officer*)  
Mr. Liu Kam Fai, Winston (*Deputy Managing Director*)  
Mr. Lee Wai Hung  
Mr. Liu Kwun Bo Darryl  
Mr. Liu Chak Hung Adrian  
Mr. Liu Kwun Hung Tiger

*Registered Office:*

23/F, Chong Hing Bank Centre,  
24 Des Voeux Road Central,  
Hong Kong

*Non-executive Director:*

Mr. Kho Eng Tjoan Christopher  
BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC,  
Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

*Independent non-executive Directors:*

Dr. The Hon. Cheng Mo Chi Moses, GBM, GBS, OBE, LLB (HK), J.P.  
Mr. Au Kam Yuen Arthur  
Dr. Ma Hung Ming John, PhD, BBS, J.P.  
Mr. Cheng Yuk Wo  
MSc (Econ), BA (Hons), CPA (Canada), CA, FCA, FCPA, CPA (Practising)  
Mr. Tong Tsun Sum Eric, CA (Aust), CPA (Practising), CFE

Hong Kong, 11 April 2024

*To the Shareholders*

Dear Sir or Madam,

## **RE-ELECTION OF DIRECTORS AND GENERAL MANDATES FOR THE BUY-BACK AND ISSUE OF SHARES**

### **INTRODUCTION**

At the AGM, resolutions will be proposed:

- (a) that certain Directors, who shall retire in accordance with the Articles of Association and (being eligible) offer themselves for re-election, be re-elected as directors of the Company; and

## LETTER FROM THE CHAIRMAN

(b) that the Directors be given the Buy-back Mandate and Share Issue Mandate.

The purpose of this circular is to provide you with the information necessary to enable you as Shareholders to make an informed decision on whether to vote for and/or against the proposed resolutions relating to such matters at the AGM.

### RE-ELECTION OF DIRECTORS

The Board currently consists of 12 members, namely:

the following executive Directors:

- (a) Mr. Liu Lit Chi (*Chairman, Managing Director and Chief Executive Officer*)
- (b) Mr. Liu Kam Fai Winston (*Deputy Managing Director*)
- (c) Mr. Lee Wai Hung
- (d) Liu Kwun Bo Darryl
- (e) Liu Chak Hung Adrian
- (f) Liu Kwun Hung Tiger

the following non-executive Director:

- (g) Mr. Kho Eng Tjoan Christopher

and the following independent non-executive Directors:

- (h) Dr. The Hon. Cheng Mo Chi Moses
- (i) Mr. Au Kam Yuen Arthur
- (j) Dr. Ma Hung Ming John
- (k) Mr. Cheng Yuk Wo
- (l) Mr. Tong Tsun Sum Eric

In accordance with Articles 97, 105 & 106 of the Articles of Association, Mr. Lee Wai Hung, Mr. Liu Kwun Bo Darryl, Mr. Liu Chak Hung and Mr. Liu Kwun Hung Tiger shall retire at the conclusion of the AGM and, being eligible, will offer themselves for re-election.

Biographical and other details of the above retiring and re-electing Directors are set out in Appendix 1 to this circular. At the AGM, separate Ordinary Resolutions will be proposed to approve their re-election.

### GENERAL MANDATE TO BUY-BACK SHARES

At the annual general meeting of the Company held on 25 May 2023, a general mandate was granted to the Directors to exercise the powers of the Company to buy-back Shares not exceeding 10% of the aggregate number of issued shares of the Company as at the date of the passing of the resolution granting such general mandate (equivalent to 37,858,344 shares). Such general mandate will lapse at the conclusion of the AGM.

## LETTER FROM THE CHAIRMAN

To provide continued flexibility to the Directors, an Ordinary Resolution will be proposed at the AGM for the granting of the Buy-back Mandate to the Directors, on terms as set out in Ordinary Resolution No. 6 in the AGM Notice, allowing them to exercise all powers of the Company to buy back its Shares. Under the Buy-back Mandate, the number of Shares that the Company may buy back shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of passing such Ordinary Resolution.

In connection with the Buy-back Mandate, the Company's authority shall be restricted to buy back made on the Stock Exchange. The Buy-back Mandate allows the Company to make buy-backs only during the period ending on the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the date by which the Company's next annual general meeting is required by any applicable law or the Articles of Association to be held, or (iii) the date upon which such mandate is revoked or varied by an ordinary resolution of shareholders of the Company in general meeting.

An explanatory statement setting out the requisite information regarding the Buy-back Mandate, as required under the Listing Rules, is set out in Appendix 2 to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 25 May 2023, a general mandate was granted to the Directors to exercise the powers of the Company to issue, allot and deal with such number of Shares not exceeding 20% of the aggregate number of the issued shares of the Company as at the date of the passing of the resolution granting such general mandate (equivalent to 75,716,688 Shares), and such general mandate was extended by adding to it the aggregate number of Shares bought back by the Company under the general mandate to buy back Shares granted to the Directors on the same date. Such general mandate to issue, allot and deal with Shares will also lapse at the conclusion of the AGM.

To provide continued flexibility to the Directors, an Ordinary Resolution will also be proposed at the AGM for the granting of the Share Issue Mandate to the Directors, on terms as set out in Ordinary Resolution No. 7 in the AGM Notice, allowing them to exercise all powers of the Company to issue, allot and deal with its Shares. Under the Share Issue Mandate, the number of Shares that the Company may issue, allot or deal with shall not exceed 20% of the aggregate number of issued shares of the Company as at the date of passing such Ordinary Resolution.

In addition, an Ordinary Resolution will also be proposed at the AGM to extend the Share Issue Mandate, on terms as set out in Ordinary Resolution No. 8 in the AGM Notice by adding to it the number of Shares that may be bought back under the Buy-back Mandate.

In connection with the Share Issue Mandate, the exercise of the Company's authority shall also be restricted to the period ending on the earliest of the (i) conclusion of the Company's next annual general meeting, (ii) the date by which the Company's next annual general meeting is required by any applicable law or the Articles of Association to be held, or (iii) the date upon which such mandate is revoked or varied by an ordinary resolution of shareholders of the Company in general meeting.

## LETTER FROM THE CHAIRMAN

### ANNUAL GENERAL MEETING

The AGM Notice setting out, inter alia, the Ordinary Resolutions to grant the Buy-back Mandate, the Share Issue Mandate and the proposed extension of the Share Issue Mandate is enclosed within the Company's 2023 Annual Report. Shareholders of the Company are advised to read the AGM Notice and to complete and return the form of proxy which can be downloaded from the website of HKEX news ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.lchi.com.hk](http://www.lchi.com.hk)) for use at the AGM, in accordance with the instructions printed thereon and deposit the same with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting. The return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM should he/she so wishes.

### VOTING AT ANNUAL GENERAL MEETING

In accordance with the relevant requirements under the Listing Rules, the Chairman would direct that each of the resolutions set out in the AGM Notice be voted on by poll.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution at the AGM.

### RECOMMENDATION

The Directors believe that the re-election of the relevant Directors, the granting of the Buy-back Mandate, the Share Issue Mandate and the proposed extension of Share Issue Mandate are in the interests of the Company as well as its Shareholders. Accordingly, the Directors recommend shareholders of the Company to vote in favour of all the resolutions at the AGM.

### 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 matters the omission of which would make any statement herein or this circular misleading.

By order of the Board  
**Liu Chong Hing Investment Limited**  
**LIU LIT CHI**  
*Chairman, Managing Director and Chief Executive Officer*

Biographical and other details about the retiring directors who are proposed to be re-elected at the AGM are as follows:

**Mr. Lee Wai Hung**, aged 60, is an Executive Director and Company Secretary of the Company. Mr. Lee is also serving as a member of Corporate Governance Committee and Executive Management Committee of the Company. Mr. Lee holds a Bachelor of Law degree, a Master of Business Administration degree and Postgraduate Diploma in Construction and Real Estate. He is also a fellow member of the Hong Kong Institute of Certified Public Accountants (Practising) and a fellow member of the Association of Chartered Certified Accountants. Before joining the Company, Mr. Lee had worked in an international accounting firm for over six years. Mr. Lee has over thirty years of experience in corporate finance and accounting. Mr. Lee joined the Company in 1992 and was appointed as Director in 1994. Mr. Lee is primarily responsible for the Company's finance and secretarial matters.

Mr. Lee did not hold any directorship in any other public listed company in the last three years apart from his directorship in the Company. Besides, Mr. Lee is a director of the following subsidiaries of the Company, including Abaleen Enterprises Limited; Alain Limited; Blossom Success Investments Limited; Bliss Alliance Global Limited; Bonsun Enterprises Limited; Bright Ocean Limited; China Link Technologies Limited; Choengmon Real Estate Company Limited; Chong Yip Finance Limited; Chong Yip (Nominees) Limited; Crown Mate Limited; Determined Resources Limited; Devon Realty Limited, Dolce Vita Concepts Holdings Limited; Donington Company Limited; Eagle Genesis Investments Limited; Earnest Wealth Company Limited; Easy Choice Investments Limited; Fancy Wealth Limited; Fortune Plus Investments Limited; Full Winner Corporation Limited; Global Access Group Limited; Glorious Prosperity Development Limited; Golden Harbour International Limited; Golden Infinity Limited; Good Sunshine Group Limited; Great Earnest Limited; Great Essential Holdings Limited; Harvest Gate Investments Limited; Harvest Mega Corporation Limited; Heng Kin Investment Limited; High Yield Investments Limited; Honour Speed Development Limited; Hospitality Concepts Holdings Limited; Hugh Glory Limited; Hugh Wealth International Limited; Jacot Limited; Joyce King Limited; Ko Yew Company Limited; Liu Chong Hing Estate Company, Limited; Liu Chong Hing Godown Company, Limited; Liu Chong Hing Property Management & Agency Limited; Long Castle Limited; Long Supreme Investments Limited; Lord Duty Limited; Luxpolar Limited; Mega Shine Development Limited; Noble Shine International Limited; Noble Wealth Venture Limited; One Eight One Lobby Cafe Limited; One-Eight-One Hospitality Management Limited; Premium Access International Limited; Premium Realty Company Limited; Queen Profit International Investment Limited; Rainbow Colour Development Limited; Real Epic Holdings Limited; Richview Property Management Company Limited; Rich Sources Investments Limited; Road Alliance Company Limited; Road To Glory Group Limited; Royal Best Investments Limited; Sino Pink Development Limited; Sky Rock International Limited; Speed World Investment Limited; Strong Zone International Limited; Supreme King International Limited; Supreme Stone Investments Limited; The Light F&B Concepts Limited; Top New Investment Limited; Top Team Limited; Trade Castle Limited; Trend Able Investments Limited; Truegrow Investments Limited; Wealth Bond Limited; Wealth Good Investment Limited; Well Road Investment Limited; Yue Tung Ching Kee Company Limited; 上海黃浦廖創興房地產開發有限公司; 佛山南海貴隆房地產發展有限公司; 佛山南海凱隆房地產開發有限公司; 佛山市軒隆房

地產開發有限公司; 馬鞍山高科磁性材料有限公司; 廣州市創鑫酒店管理有限公司; 廣州市貿滿房地產諮詢有限公司; 廣州市盈裕物業管理有限公司; 廣州市裕利物業管理有限公司 and 廣東安盛資訊科技有限公司.

Other than that mentioned above, Mr. Lee does not have any relationship with any other director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interest (or any short position) in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Lee will enter into a 3-year Director's service contract with the Company commencing from 23 May 2024. Mr. Lee will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

Pursuant to his employment contract, Mr. Lee has received annual remuneration of approximately HK\$4,578,933 and as an Executive Director of the Company, he also received a director's fees of HK\$200,000 per year which is determined by the Board with reference to his duties and responsibilities, and is in line with Director's fees payable to other Executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Liu Kwun Bo Darryl**, aged 31, was appointed as Executive Director of the Company since 2023. Mr. Liu is also serving as a member of the Executive Management Committee of the Company. He has held the position of Director, The Rockpool Project (Team Lead) and Hospitality Management (F&B Team Lead) since July 2021. Mr. Liu holds a Bachelor of Business Administration degree from Hult International Business School, London. Mr. Liu oversees The Rockpool project and The Praya, a contemporary restaurant located at our One-Eight-One Hotel. Mr. Liu is the grandson of Mr. Liu Lit Chi, the nephew of Mr. Liu Kam Fai Winston, the cousin of Mr. Liu Chak Hung Adrian and the brother of Mr. Liu Kwun Hung Tiger.

Mr. Liu did not hold any directorship in any other public listed companies in the last three years apart from his directorship in the Company. Besides, Mr. Liu is a director of the following subsidiaries of the Company, including Bliss Alliance Global Limited; Choengmon Real Estate Company Limited; Eagle Genesis Investments Limited; Earnest Wealth Company Limited; Global Access Group Limited; Golden Infinity Limited; Great Essential Holdings Limited; Mega Shine Development Limited; Noble Wealth Venture Limited; Premium Access International Limited; Premium Realty Company Limited; Real Epic Holdings Limited; Road Alliance Company Limited; 上海黃浦廖創興房地產開發有限公司; 佛山南海貴隆房地產發展有限公司; 佛山南海凱隆房地產開發有限公司; 佛山市軒隆房地產開發有限公司; 廣州市創鑫酒店管理有限公司; 廣州市貿滿房地產諮詢有限公司; 廣州市盈裕物業管理有限公司; 廣州市裕利物業管理有限公司; and 廣東安盛資訊科技有限公司.

Other than that mentioned above, Mr. Liu does not have any relationship with any other director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Liu does not have any interest (or any short position) in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Liu will enter into a 3-year Director's service contract with the Company commencing from 23 May 2024. Mr. Liu will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

Pursuant to his employment contract, Mr. Liu has received annual remuneration of approximately HK\$2,213,069 and as an Executive Director of the Company, he will receive a director's fee of HK\$200,000 per year which is determined by the Board with reference to his duties and responsibilities, and is in line with Director's fees payable to other Executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Liu Chak Hung Adrian**, aged 29, was appointed as Executive Director of the Company since 2023. Mr. Liu is also serving as a member of the Executive Management Committee of the Company. He has held the position of Director of Leasing Management and Hospitality Management (Operation) since July 2021 and shifted to Director of Leasing Management and Property Management since June 2023. Mr. Liu has graduated from St. Michaels University School in Canada. Mr. Liu is responsible for driving the leasing business of the Company, particularly for The Rockpool and oversees the property management business. Mr. Liu is the grandson of Mr. Liu Lit Chi, the nephew of Mr. Liu Kam Fai Winston, the cousin of Mr. Liu Kwun Bo Darryl and Mr. Liu Kwun Hung Tiger.

Mr. Liu did not hold any directorship in any other public listed companies in the last three years apart from his directorship in the Company. Other than that mentioned above, Mr. Liu does not have any relationship with any other director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Liu does not have any interest (or any short position) in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Liu will enter into a 3-year Director's service contract with the Company commencing from 23 May 2024. Mr. Liu will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

Pursuant to his employment contract, Mr. Liu has received annual remuneration of approximately HK\$2,074,523 and as an Executive Director of the Company and he will receive a director's fees of HK\$200,000 per year which is determined by the Board with reference to his duties and responsibilities, and is in line with Director's fees payable to other Executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be

brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Liu Kwun Hung Tiger**, aged 26, was appointed as Executive Director of the Company since 2023. Mr. Liu is also serving as a member of the Executive Management Committee of the Company. He has held the position of Director of Mainland China and Overseas Projects of the Group since July 2021. Mr. Liu holds a Bachelor of Science degree with First Class Honours in Mathematics with Business Management from Queen Mary University of London. Mr. Liu is responsible for initiating and leading the acquisition of various properties, including commercial buildings, logistics centers, and resorts, as well as developing the Group's overseas investment business through joint-venture projects. Mr. Liu is the grandson of Mr. Liu Lit Chi, the nephew of Mr. Liu Kam Fai Winston, the brother of Mr. Liu Kwun Bo Darryl and the cousin of Mr. Liu Chak Hung Adrian.

Mr. Liu did not hold any directorship in any other public listed companies in the last three years apart from his directorship in the Company. Besides, Mr. Liu is a director of the following subsidiaries of the Company, including Bliss Alliance Global Limited; Choengmon Real Estate Company Limited; Eagle Genesis Investments Limited; Earnest Wealth Company Limited; Global Access Group Limited; Great Essential Holdings Limited; Mega Shine Development Limited; Noble Wealth Venture Limited; Premium Access International Limited; Premium Realty Company Limited; Real Epic Holdings Limited; Road Alliance Company Limited; 佛山南海貴隆房地產發展有限公司; 佛山市軒隆房地產開發有限公司 and 上海黃浦廖創興房地產開發有限公司.

Other than that mentioned above, Mr. Liu does not have any relationship with any other director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Liu does not have any interest (or any short position) in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Liu will enter into a 3-year Director's service contract with the Company commencing from 23 May 2024. Mr. Liu will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

Pursuant to his employment contract, Mr. Liu has received annual remuneration of approximately HK\$2,376,561 and as an Executive Director of the Company, he will receive a director's fee of HK\$200,000 per year which is determined by the Board with reference to his duties and responsibilities, and is in line with Director's fees payable to other Executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to Shareholders for their consideration of the Buy-back Mandate. For this purpose, “shares” is defined in the Listing Rules to include securities carrying a right to subscribe for or purchase shares.

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

#### **1. REASONS FOR BUY-BACK**

The Directors believe that the ability to buy back Shares is in the interests of the Company and its Shareholders. Buy-backs may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The number of Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

#### **2. SOURCE OF FUNDS**

Buy-backs must be made out of funds which are legally available for such purpose and in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Articles of Association. It is envisaged that the funds required for any buy-back would be derived from the distributable profits of the Company which shall be funds legally available for such purpose in accordance with the Listing Rules and the laws of Hong Kong.

#### **3. IMPACT OF BUY-BACKS ON WORKING CAPITAL**

There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts for the year ended 31 December 2023) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general 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.

#### **4. MAXIMUM NUMBER OF SHARES TO BE BOUGHT BACK AND SUBSEQUENT ISSUE**

A maximum of 10% of the total number of issued shares of a company at the date of passing the relevant resolution may be bought back on the Stock Exchange. A company may not, without the prior approval of the Stock Exchange, issue new shares or announce a proposed new issue of shares for a period of 30 days immediately following a share buy-back

whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities, which were outstanding prior to the buy-back).

## 5. CONNECTED PARTIES

No Core Connected Persons of the Company have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

## 6. SHARE PRICES

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
March 2023	7.300	6.420
April 2023	6.600	6.230
May 2023	6.500	5.830
June 2023	6.050	5.700
July 2023	6.200	5.840
August 2023	6.170	5.500
September 2023	5.750	5.170
October 2023	5.660	5.330
November 2023	5.550	5.260
December 2023	5.480	5.250
January 2024	5.450	5.010
February 2024	5.170	4.910
1 March 2024 to Latest Practicable Date	4.980	4.580

## 7. SHARE BUY-BACK MADE BY THE COMPANY

No buy-back has been made by the Company of its shares in the last six months prior to the date of this circular.

## 8. UNDERTAKING OF DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the applicable laws of Hong Kong and the Articles of Association.

## 9. EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to buy back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert may obtain or consolidate control of the Company and thereby become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Liu Lit Chi, Chairman, Managing Director and Chief Executive Officer of the Company, and his controlled companies, namely, Liu's Holdings Limited and Alba Holdings Limited which are acting in concert together hold approximately 57.74% of the issued share capital of the Company. In the event that the Buy-back Mandate is exercised in full, assuming that the present shareholdings and capital structure of the Company remains the same, the interest in the Company held by Mr. Liu Lit Chi, Liu's Holdings Limited and Alba Holdings Limited, both being controlled corporation of Mr. Liu Lit Chi, would be increased to approximately 64.15% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code. Save as aforesaid, the Directors are not aware of any consequence which will arise under the Takeovers Code as a result of any repurchase of Shares under the Buy-back Mandate.

Currently, the Directors have no intention to exercise the powers of the Company to make any buy-backs of the Shares of the Company. In any event, the Directors do not intend to exercise the Buy-back Mandate to an extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeovers Code or which will reduce the aggregate amount of the share capital of the Company in public hands to below 25%.

## 10. DISCLOSURE OF INTEREST

No Director, and having made all reasonable enquiries and to the best of the knowledge of the Directors, no close associate of any Director, has any present intention, in the event that the Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company.