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

If you have sold or transferred all your shares in **Hing Yip Holdings Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or the transferee(s).

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HING YIP HOLDINGS LIMITED
興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

CONNECTED TRANSACTION
PROPOSED EXTENSION OF MATURITY DATE OF
CONVERTIBLE BONDS
AND
NOTICE OF SPECIAL GENERAL MEETING

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



Gram Capital Limited
嘉林資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out from pages 4 to 11 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on page IBC-1 of this circular. A letter from Gram Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and Independent Shareholders in relation to the Extension is set out from pages IFA-1 to IFA-9 of this circular.

A notice convening the SGM to be held at Luxembourg Room I, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 26 September 2024 at 10:30 a.m. is set out from pages SGM-1 to SGM-2 of this circular. Whether or not you intend to attend the SGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM should you so wish and in such event, the proxy form shall be deemed to be revoked.

5 September 2024

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DEFINITIONS

In this circular, unless the context requires otherwise, the following terms have the meanings as respectively ascribed below:–

| | |
|--------------------------------|---|
| “Board” | the board of Directors of the Company |
| “Bond Certificate” | the bond certificate dated 23 May 2019 issued by the Company to Prize Rich in relation to the Convertible Bonds |
| “Company” | Hing Yip Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00132) |
| “Conversion Commencement Date” | the date immediately following the third anniversary of the issue date of the Convertible Bonds, being 14 October 2017 |
| “Conversion Shares” | the Share(s) to be issued by the Company pursuant to the exercise of the conversion rights attaching to the Convertible Bonds |
| “Convertible Bonds” | the convertible bonds in the aggregate principal amount of HK\$166,232,000 issued by the Company to Prize Rich on 13 October 2014 |
| “Director(s)” | the director(s) of the Company |
| “Extended CB Maturity Date” | 13 October 2027 |
| “Extension” | the proposed extension of the maturity date of the Convertible Bonds from 13 October 2024 to 13 October 2027 |
| “Extension Deed” | the deed of amendment entered into between the Company and Prize Rich on 15 August 2024 to extend the maturity date of the Convertible Bonds |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HK\$” | Hong Kong Dollar, the lawful currency of Hong Kong |

DEFINITIONS

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| “Independent Board Committee” | the independent board committee, comprising all the independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. PENG Xinyu and Ms. LIN Junxian, which has been established to make recommendations to the Independent Shareholders in respect of the resolutions regarding the Extension |
| “Independent Financial Adviser” or “Gram Capital” | Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Extension |
| “Independent Shareholders” | Shareholder(s) other than Prize Rich and, if any, any other Shareholder with a material interest in the Extension who is required to abstain from voting at the SGM pursuant to the Listing Rules |
| “Last Trading Day” | 14 August 2024, being the last full trading day on which the Shares were traded on the Stock Exchange prior to the publication of the announcement dated 15 August 2024 |
| “Latest Practicable Date” | 2 September 2024, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information for inclusion in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Prize Rich” | Prize Rich Inc., holder of the Convertible Bonds, a company incorporated in the British Virgin Islands which is wholly-owned by a state-owned enterprise, Guangdong Nanhai Holding Group Co., Ltd.* (廣東南海控股集團有限公司) |
| “SFO” | the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) |

DEFINITIONS

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|-------------------|---|
| “SGM” | the special general meeting of the Company to be convened and held at Luxembourg Room I, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 26 September 2024 at 10:30 a.m. to consider and, if thought fit, to approve, among other things, the Extension and the Specific Mandate |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Codes” | the Codes on Takeovers and Mergers and Share Buy-backs |
| “%” | per cent |

* *For identification purpose only*

LETTER FROM THE BOARD



HING YIP HOLDINGS LIMITED **興業控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

Executive Directors:

HE Xiangming (*Chairman*)

FU Weiqiang (*President*)

Non-executive Director:

SHI Xuguang

Independent Non-executive Directors:

CHAN Kwok Wai

PENG Xinyu

LIN Junxian

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

5 September 2024

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION **PROPOSED EXTENSION OF MATURITY DATE OF** **CONVERTIBLE BONDS** **AND** **NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 15 August 2024 in relation to the entering into of the Extension Deed between the Company and Prize Rich to extend the maturity date of the outstanding Convertible Bonds in the principal amount of HK\$166,232,000 by 3 years from 13 October 2024 to 13 October 2027 (i.e. the Extended CB Maturity Date), with all the other terms and conditions of the outstanding Convertible Bonds unchanged.

The purpose of this circular is to provide you with, among other things, (i) further information on the Extension; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Extension; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Extension; (iv) other information as required under the Listing Rules; and (v) a notice of the SGM together with the proxy form.

LETTER FROM THE BOARD

EXTENSION OF MATURITY DATE OF THE CONVERTIBLE BONDS

Background

Reference is made to the announcements of the Company dated 5 June 2014 and 12 March 2019 and the circulars of the Company dated 30 June 2014 and 25 April 2019. On 13 October 2014, China Investments Limited (a wholly-owned subsidiary of the Company) completed the acquisition of the entire issued share capital of Southern Limited from Prize Rich. Pursuant to such acquisition, part of the consideration was satisfied by the issuance of the Convertible Bonds on 13 October 2014 in the principal amount of HK\$166,232,000 by the Company to Prize Rich, which may be converted into 218,726,315 Shares upon full exercise of the conversion rights therein at the initial conversion price of HK\$0.76 per Conversion Share. On 12 March 2019, the Company and Prize Rich entered into a deed of amendment to extend the maturity date of the Convertible Bonds by 5 years from 13 October 2019 to 13 October 2024. During the period from the Conversion Commencement Date and up to the Last Trading Day, the average closing price of the Shares was below the initial conversion price.

As at the Latest Practicable Date, the Convertible Bonds remain outstanding in full and would mature and be repayable in full with accrued interests on 13 October 2024 pursuant to the terms and conditions of the Bond Certificate.

Extension Deed

On 15 August 2024, in accordance with the terms and conditions of the Convertible Bonds, the Company and Prize Rich entered into the Extension Deed to extend the maturity date of the outstanding Convertible Bonds by 3 years from 13 October 2024 to 13 October 2027 (i.e. the Extended CB Maturity Date), with all the other terms and conditions of the outstanding Convertible Bonds unchanged.

Condition precedent

The Extension Deed will only become effective upon compliance with the Listing Rules requirements including the passing of an ordinary resolution to approve the Extension by the Independent Shareholders at the SGM.

In the event that the condition precedent set out above has not been satisfied on or before 30 September 2024, unless otherwise agreed between the parties, the Extension Deed will lapse. In the event that the Extension Deed lapses, the total repayment amount that is immediately repayable by the Company on 13 October 2024 is HK\$166,232,000.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds after the Extension Deed has become effective are summarized below:–

| | | |
|------------------|---|---|
| Issuer | : | the Company |
| Principal Amount | : | HK\$166,232,000 |
| Interest | : | 2% per annum, payable annually in arrears |

LETTER FROM THE BOARD

Conversion : The outstanding principal amount of the Convertible Bonds are convertible in whole or in part into Conversion Shares at the conversion price by the bondholder at any time during the conversion period by delivery of a written notice.

The principal amount of the Convertible Bonds to be converted on each occasion shall not be less than HK\$1,000,000 and shall be in integral multiple(s) of HK\$1,000,000, unless the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000 and in such event the entire outstanding principal amount shall be converted.

Conversion Shares : Assuming that the Convertible Bonds are fully converted into Conversion Shares at the initial conversion price of HK\$0.76, a total of 218,726,315 Conversion Shares will be issued which represent approximately 12.77% of the issued share capital of the Company as at the Latest Practicable Date and approximately 11.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Conversion Price : The initial price at which each Share shall be issued upon conversion shall be HK\$0.76 (subject to adjustment, if any). The conversion price of HK\$0.76 represents:

- (i) a premium of approximately 439% over the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 435% over the average closing price of HK\$0.142 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 424% over the average closing price of HK\$0.145 per Share as quoted on the Stock Exchange for the last three months up to and including the Last Trading Day.

The conversion price is subject to adjustments upon occurrence of, among other things, subdivision or consolidation or re-classification of Shares, capital distribution, issuance of Shares by way of capitalisation of profits or reserves, grant of options, warrants or rights to subscribe for or purchase Shares.

LETTER FROM THE BOARD

- Conversion Period : The period commencing on the date immediately following the third anniversary of the issue date of the Convertible Bonds and expiring on the Extended CB Maturity Date (i.e. from 14 October 2017 to 13 October 2027).
- Redemption : The Convertible Bonds shall be redeemed by the Company on the Extended CB Maturity Date at the principal amount then outstanding together with all accrued and unpaid interest thereon up to and including the Extended CB Maturity Date. By giving notice to the bondholder, the Convertible Bonds may also be redeemed, in whole or in part, at any time prior to the Extended CB Maturity Date by the Company at the principal amount then outstanding or such part(s) of the principal amount then outstanding together with any accrued and unpaid interest.
- Transferability : The Convertible Bonds or any part(s) thereof (in integral multiple(s) of HK\$1,000,000, or if the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the entire outstanding principal amount) may be assigned or transferred, subject to the satisfaction of the following conditions:
- (a) prior written consent of the Company;
 - (b) compliance with the conditions, if any, set out in the approval from the Stock Exchange in relation to the listing of, and permission to deal in, the Conversion Shares; and
 - (c) compliance with the conditions, approvals, requirements and any other provisions of or under:
 - (i) the Listing Rules;
 - (ii) the Takeovers Codes; and
 - (iii) all applicable laws and regulations.
- Events of Default : As set out in the circular of the Company dated 30 June 2014, if any of the events of default set out in the terms and conditions of the Convertible Bonds occurs, the bondholder may by written notice to the Company declare that the Convertible Bonds are immediately due and payable at its principal amount then outstanding plus interest accrued thereon up to and including the date of such written notice.

LETTER FROM THE BOARD

| | | |
|------------------------------|---|--|
| Voting | : | The bondholder shall not be entitled to receive any notices of, attend or vote at any meetings of the Company by reason only of it being the bondholder of the Convertible Bonds. |
| Listing | : | The Convertible Bonds are not listed on any stock exchange. |
| Ranking of Conversion Shares | : | The Conversion Shares shall rank <i>pari passu</i> in all respects with all existing Shares then in issue at the date on which the notice of conversion is given. The Company will seek a new specific mandate at the SGM for the issuance of the Conversion Shares (the “ Specific Mandate ”). |

Shareholding structure of the Company

The following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after and assuming full conversion of the Convertible Bonds:–

| Shareholders | As at the Latest Practicable Date | | Immediately after the conversion of the whole of the principal amount of the Convertible Bonds by the bondholder | |
|--------------|-----------------------------------|-----------------------|--|-----------------------------------|
| | No. of Shares | Approximate % | No. of Shares | Approximate % |
| Prize Rich | 1,222,713,527 ^(Note 1) | 71.41% | 1,441,439,842 | 74.65% |
| Public | <u>489,615,615</u> | <u>28.59%</u> | <u>489,615,615</u> | <u>25.35%</u> ^(Note 2) |
| Total | <u>1,712,329,142</u> | <u>100.00%</u> | <u>1,931,055,457</u> | <u>100.00%</u> |

Notes:

- On 25 July 2022, Prize Rich agreed to transfer 1,222,713,527 shares and the Convertible Bonds to its wholly-owned subsidiary, Glories Holdings (HK) Limited, pursuant to an equity and convertible bonds transfer agreement.
- Pursuant to the terms of the Convertible Bonds, no conversion of the Convertible Bonds shall take place if and to the extent that, immediately following the conversion, the Company will be unable to meet the public float requirement under the Listing Rules in that the Shares in the hands of the public would fall below 25% or such other minimum percentage of the total issued share capital of a listed company as prescribed under the Listing Rules that must remain in public hands.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE EXTENSION

The Convertible Bonds would mature on 13 October 2024 unless further extended. The conversion price of the Convertible Bonds (being HK\$0.76) has been higher than the average closing price of the Shares as quoted on the Stock Exchange during the period from the Conversion Commencement Date and up to the Last Trading Day (being HK\$0.365). In the circumstances, it is expected that the bondholder is not going to exercise its conversion rights and the Company is expected to have a substantial cash outflow amounting to HK\$166,232,000 (being the principal amount of the Convertible Bonds then outstanding as at the maturity date) in order to redeem the Convertible Bonds.

The Extension will enable the Company to postpone such substantial cash outflow and release the liquidity and working capital pressure of the Company, and allow the Group to retain more liquid financial resources for its business operations, whilst allowing additional time for the Shares' performance to mature without having to incur additional financing costs to effect immediate repayment, in particular having considered that the interest rate under the Convertible Bonds, being 2% per annum, is reasonable and better than the rate that the Group could obtain under bank or other borrowings.

The Board (with the views of the independent non-executive Directors set out in the section headed "Letter from the Independent Board Committee" in this circular) considers that the terms and conditions of the Extension Deed are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PRINCIPAL BUSINESSES OF THE PARTIES

The Group is principally engaged in wellness elderly care, finance leasing, big data and civil explosives businesses. Through its joint ventures and associated companies, the Group also participates and invests in fast growing sectors, including electric utilities in the PRC.

The bondholder, Prize Rich, is principally engaged in investment holding. Prize Rich is wholly-owned by a state-owned enterprise, Guangdong Nanhai Holding Group Co., Ltd.* (廣東南海控股集團有限公司), which is principally engaged in investments, assets management, park management, property development, management and leasing, land use right leasing and power generation and supply.

LISTING RULES IMPLICATION

As at the Latest Practicable Date, Prize Rich held 1,222,713,527 Shares, representing approximately 71.41% of the issued share capital of the Company, and is a controlling shareholder and connected person of the Company under the Listing Rules and hence the Extension constitutes a connected transaction of the Company which is subject to the announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has made an application for the approval of the Extension and listing of the Conversion Shares. As at the Latest Practicable Date, the Company has no treasury shares. The Company has no intention to use treasury shares to satisfy its obligation upon conversion or exercise of any of the Convertible Bonds.

SGM

A notice convening the SGM to be held at the Luxembourg Room I, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 26 September 2024 at 10:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Ordinary resolutions will be proposed at the SGM to consider, and if thought fit, to approve the Extension and the Specific Mandate by way of poll.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, Prize Rich held 1,222,713,527 Shares, representing approximately 71.41% of the issued share capital of the Company. Prize Rich will abstain from voting on the relevant resolutions at the SGM to approve the Extension and the Specific Mandate. Save as disclosed, no other Shareholder is required to abstain from voting on the relevant resolutions at the SGM to approve the Extension and the Specific Mandate.

Since Mr. SHI Xuguang (“**Mr. Shi**”), a non-executive Director, is the deputy general manager of Guangdong Nanhai Holding Group Co., Ltd.* (廣東南海控股集團有限公司) which is the sole shareholder of Prize Rich, Mr. Shi had abstained from voting on the resolutions of the Board approving the Extension. Save as disclosed above, none of the Directors has a material interest in the Extension, no Director was required to abstain from voting on the resolutions of the Board approving the Extension.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Independent Shareholders on the proposed resolutions at the SGM shall be taken by poll. An announcement will be made by the Company following the conclusion of the SGM to inform Shareholders of the results of the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM should you so wish and in such event, the proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

RECOMMENDATIONS

Taking into account the reasons set out above, the Board (with the views of the independent non-executive Directors set out in the section headed “Letter from the Independent Board Committee” in this circular), considers that the terms and conditions of the Extension and the Specific Mandate are fair and reasonable and are in the interest of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the proposed resolutions as set out in the notice of the SGM to approve the Extension and the Specific Mandate.

ADDITIONAL INFORMATION

You attention is drawn to (i) the letter from the Independent Board Committee set out on page IBC-1 of this circular which contains its recommendation to the Independent Shareholders concerning the resolutions to be voted at the SGM; and (ii) the letter from Gram Capital set out on pages IFA-1 to IFA-9 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders concerning the resolutions to be voted at the SGM.

Your attention is also drawn to the general information as set out in Appendix to this circular.

On behalf of
Hing Yip Holdings Limited
HE Xiangming
Chairman

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



HING YIP HOLDINGS LIMITED

興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

5 September 2024

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS

We refer to the circular of the Company to the Shareholders dated 5 September 2024 in relation to the Extension (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been appointed by the Board as the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the Extension. Gram Capital has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages IFA-1 to IFA-9 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

Having considered the terms of the Extension and the Specific Mandate and taking into account the advice from Gram Capital and the relevant information contained in the letter from the Board, we are of the view that the terms and conditions of the Extension and the Specific Mandate are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Extension, while not in the ordinary and usual course of business of the Company, is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Extension and the Specific Mandate.

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

Mr. CHAN Kwok Wai

Mr. PENG Xinyu

Ms. LIN Junxian

Independent non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Extension for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

5 September 2024

To: *The Independent Board Committee and the Independent Shareholders
of Hing Yip Holdings Limited*

Dear Sir/Madam,

CONNECTED TRANSACTION PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Extension, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 5 September 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 15 August 2024 (the “**Agreement Date**”), in accordance with the terms and conditions of the Convertible Bonds, the Company and Prize Rich entered into the Extension Deed to extend the maturity date of the outstanding Convertible Bonds in the principal amount of HK\$166,232,000 by 3 years from 13 October 2024 to 13 October 2027 (i.e. the Extended CB Maturity Date), with all the other terms and conditions of the outstanding Convertible Bonds unchanged.

With reference to the Board Letter, the Extension constitutes a connected transaction of the Company which is subject to announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Chan Kwok Wai, Mr. Peng Xinyu and Ms. Lin Junxian (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Extension are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Extension is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Extension at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM GRAM CAPITAL

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser. Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Extension. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 enquires, 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 therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Prize Rich or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Extension. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM GRAM CAPITAL

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Extension, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Extension

Information on the Group

With reference to the Board Letter, the Group is principally engaged in wellness elderly care, finance leasing, big data and civil explosives businesses. Through its joint ventures and associated companies, the Group also participates and invests in fast growing sectors, including electric utilities in the PRC.

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2023 as extracted from the Company's annual report for the year ended 31 December 2023 (the "**2023 Annual Report**") and six months ended 30 June 2024 as extracted from the Company's interim results announcement for the six months ended 30 June 2024 ("**2024 IR Announcement**"):

| | For the For the six months ended 30 June 2024 <i>(unaudited)</i> HK\$'000 | For the year ended 31 December 2023 <i>(audited)</i> HK\$'000 | For the year ended 31 December 2022 <i>(audited)</i> HK\$'000 | Change from FY2022 to FY2023 % |
|---|--|--|--|---|
| Revenue from continuing operations | 411,025 | 821,423 | 685,331 | 19.86 |
| – <i>Big data business</i> | 3,082 | 20,981 | 13,048 | 60.80 |
| – <i>Civil explosives business</i> | 111,720 | 265,750 | 195,138 | 36.19 |
| – <i>Financial leasing</i> | 189,083 | 352,636 | 330,485 | 6.70 |
| – <i>Hotel business</i> | 6,610 | 14,998 | 9,730 | 54.14 |
| – <i>Property investments</i> | 3,633 | 9,617 | 14,472 | (33.55) |
| – <i>Wellness elderly care business</i> | 96,897 | 157,441 | 122,458 | 28.57 |
| Gross profit from continuing operations | 178,771 | 316,097 | 256,152 | 23.40 |
| Profit/(Loss) for the year from continuing operations | 114,796 | (23,251) | 40,054 | N/A |

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| | As at 30 June 2024 <i>(unaudited)</i> HK\$'000 | As at 31 December 2023 <i>(audited)</i> HK\$'000 | As at 31 December 2022 <i>(audited)</i> HK\$'000 | Change from FY2022 to FY2023 % |
|--------------------------------------|---|--|--|---|
| Cash and cash balances | 1,102,877 | 592,181 | 999,250 | (40.74) |
| Borrowings (current liabilities) | 2,479,117 | 2,092,804 | 1,923,318 | 8.81 |
| Borrowings (non-current liabilities) | 2,810,192 | 3,061,105 | 3,167,523 | (3.36) |

As shown in the table above, the Group recorded revenue from continuing operations of approximately HK\$821 million for the year ended 31 December 2023 (“FY2023”), representing an increase of approximately 19.86% as compared to that for the year ended 31 December 2022 (“FY2022”). With reference to the 2023 Annual Report, such increase was mainly attributable to increase in revenue from civil explosives business and wellness elderly care business. The Group’s gross profit from continuing operations increased correspondingly by approximately 23.40% from FY2022 to FY2023.

Despite the increase in the Group’s gross profit from continuing operations, the Group recorded net loss from continuing operations of approximately HK\$23 million as compared to net profit from continuing operations of approximately HK\$40 million for FY2022. With reference to the 2023 Annual Report, such turnaround was mainly due to decrease in fair value of financial assets at fair value through profit or loss, as partially offset by increase in the Group’s gross profit from continuing operations.

With reference to the 2023 Annual Report, the Group will aggressively explore opportunities to carry out investment and merger and acquisition of biopharmaceutical and high-tech enterprises or projects to seek leapfrog development of the business of the Company, thereby delivering good returns to the Shareholders.

With reference to the 2024 IR Announcement, the Group is committed to its strategic orientation, continues its efforts to become a first-class technology-based health care services provider in the Greater Bay Area, taking the wellness and elderly care business as the principal direction, and technology, financial leasing, civil explosives business as the strategic support, and firmly establishing the standpoint of the Group as a whole.

Information on the bondholder

With reference to the Board Letter, the bondholder, Prize Rich, is principally engaged in investment holding. Its ultimate beneficial owner is 廣東南海控股集團有限公司 (Guangdong Nanhai Holding Group Co., Ltd.*), which is under the supervision of the PRC government. Prize Rich is a controlling shareholder and connected person of the Company.

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Reasons for and benefits of the proposed Extension

With reference to the Board Letter:

- (i) The Convertible Bonds would mature on 13 October 2024 unless further extended. The conversion price of the Convertible Bonds has been higher than the average closing price of the Shares as quoted on the Stock Exchange during the period from the Conversion Commencement Date and up to the Last Trading Day. In the circumstances, it is expected that the bondholder is not going to exercise its conversion rights and the Company is expected to have a substantial cash outflow amounting to HK\$166,232,000 (being the principal amount of the Convertible Bonds then outstanding as at the maturity date) in order to redeem the Convertible Bonds.
- (ii) The Extension will enable the Company to postpone such substantial cash outflow and release the liquidity and working capital pressure of the Company, and allow the Group to retain more liquid financial resources for its business operations, whilst allowing additional time for the Shares' performance to mature without having to incur additional financing costs to effect immediate repayment, in particular having considered that the interest rate under the Convertible Bonds, being 2% per annum, is reasonable and better than the rate that the Group could obtain under bank or other borrowings.

According to the 2023 Annual Report and 2024 IR Announcement:

- (i) The Group's cash and cash balances were approximately HK\$592 million as at 31 December 2023 and approximately HK\$1,103 million as at 30 June 2024.
- (ii) As at 31 December 2023, the Group had borrowings (current liabilities) of approximately HK\$2,093 million and borrowings (non-current liabilities) of approximately HK\$3,061 million. As at 30 June 2024, the Group had borrowings (current liabilities) of approximately HK\$2,479 million and borrowings (non-current liabilities) of approximately HK\$2,810 million.
- (iii) The Group's net cash used in operating activities was approximately HK\$676 million for FY2022 and approximately HK\$554 million for FY2023.

With reference to 2023 Annual Report, as at 31 December 2023, the Group's bank loans (which are variable rate borrowings) carried effective interest rates ranged from 2.98% to 6.77% per annum and bank loans (which are fixed rate borrowings) carried effective interest rates ranged from 3.40% to 5.40% per annum.

In light of the above, we consider that the Extension will allow the Group to retain financial resources for its business operation and development with lower finance cost as compared to that of the Group's bank loans as at 31 December 2023.

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Accordingly, we are of the view that although the Extension is not in the ordinary and usual course of business of the Company, it is in the interest of the Company and the Shareholders as a whole.

2. Principal terms of the Extension and the Convertible Bonds

On 15 August 2024, in accordance with the terms and conditions of the Convertible Bonds, the Company and Prize Rich entered into the Extension Deed to extend the maturity date of the outstanding Convertible Bonds in the principal amount of HK\$166,232,000 by 3 years from 13 October 2024 to 13 October 2027 (i.e. the Extended CB Maturity Date), with all the other terms and conditions of the outstanding Convertible Bonds unchanged.

The Extension Deed will only become effective upon compliance with the Listing Rules requirements including the passing of an ordinary resolution to approve the Extension by the Independent Shareholders at the SGM.

Set out below are the principal terms of the Convertible Bonds after the Extension Deed being effective:

| | |
|-------------------|---|
| Maturity date: | 13 October 2027 (i.e. the Extended CB Maturity Date) |
| Principal amount: | HK\$166,232,000 |
| Interest: | 2% per annum, payable annually in arrears (the “ Interest Rate ”) |
| Conversion price: | The price at which each Share shall be issued upon conversion shall be HK\$0.76 (subject to adjustment) (the “ Conversion Price ”). |
| Redemption: | The Convertible Bonds shall be redeemed by the Company on the Extended CB Maturity Date at the principal amount then outstanding together with all accrued and unpaid interest thereon up to and including the Extended CB Maturity Date. By giving notice to the bondholder, the Convertible Bonds may also be redeemed, in whole or in part, at any time prior to the Extended CB Maturity Date by the Company at the principal amount then outstanding or such part(s) of the principal amount then outstanding together with any accrued and unpaid interest. |

Comparison of Conversion Price with historical Share price

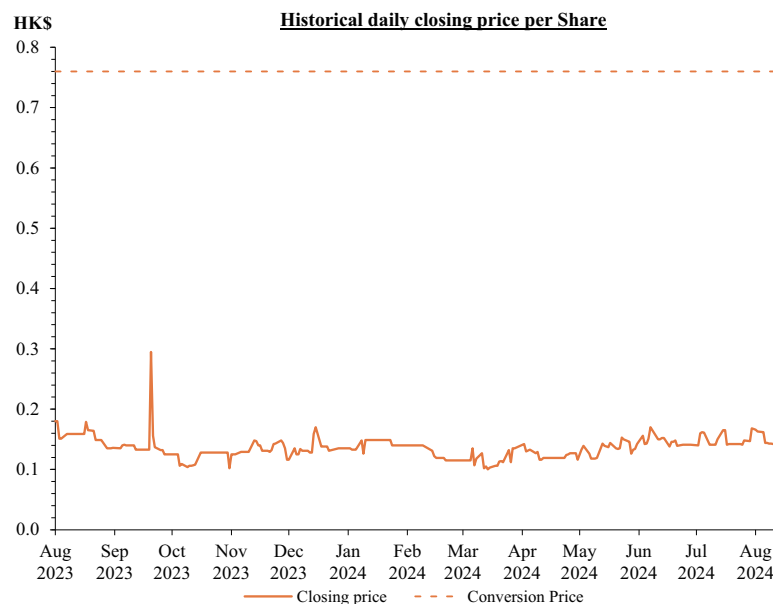
The Conversion Price of HK\$0.76 represents:

- (a) a premium of approximately 384.08% over the closing price per Share of HK\$0.157 as quoted on the Stock Exchange on the Latest Practicable Date;

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- (b) a premium of approximately 439.01% over the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the Agreement Date;
- (c) a premium of approximately 439.01% over the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a premium of approximately 435.21% over the average closing price of HK\$0.142 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (e) a premium of approximately 424.14% over the average closing price of HK\$0.145 per Share as quoted on the Stock Exchange for the last three months up to and including the Last Trading Day.

In order to assess the fairness and reasonableness of the Conversion Price, we reviewed the daily closing price of the Shares as quoted on the Stock Exchange from 1 August 2023 up to and including 15 August 2024 (i.e. the Agreement Date) (the “**Review Period**”), being a period of approximately one year prior to and including the Agreement Date. The comparison of daily closing prices of the Shares and the Conversion Price is illustrated as follows:



Source: the Stock Exchange’s website

During the Review Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.295 recorded on 20 September 2023 and HK\$0.100 recorded on 14 March 2024. The closing prices of the Shares fluctuated during the Review Period and did not form a specific moving trend.

The Conversion Price of HK\$0.76 per Conversion Share is significantly above the daily closing prices of the Shares as quoted on the Stock Exchange during the entire Review Period.

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Comparison with other convertible bonds/notes

As part of our analysis, we also identified placing/subscription of convertible bonds (the “**Comparables**”) which (i) were announced by listed companies in Hong Kong from 2 May 2024 up to 15 August 2024 (i.e. the Agreement Date), being an approximate three months period prior to and including the Agreement Date; and (ii) underlying conversion shares would be listed on the Stock Exchange upon conversion. To the best of our knowledge and as far as we are aware of, we found 10 transactions which met the said criteria and they are exhaustive as far as we are aware of. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables.

| Company name (stock code) | Date of announcement | Connected transaction (Y/N) | Principal amount | Maturity (approximate years) | Interest rate per annum (%) | Premium/(discount) of the conversion price over/(to) the closing price per share on/prior to the date of agreement (%) |
|---|-------------------------|-----------------------------------|---|------------------------------------|-----------------------------------|--|
| Xtep International Holdings Limited (1368) | 9 May 2024 | N | HK\$500,000,000 | 6 | 3.5 | 1.85 |
| Vobile Group Limited (3738) | 14 May 2024 | N | HK\$159,997,200 | 2 | 3 | 14.72 |
| Tibet Water Resources Ltd. (1115) | 22 May 2024 | N | HK\$90,000,000 | 0.36 | 10 | 9.09 |
| Future Data Group Limited (8229) | 7 June 2024 | N | HK\$2,000,000 | 1 | 8 | Nil |
| Zijin Mining Group Co., Ltd. (2899 & SH601899) | 18 June 2024 | N | US\$2,000,000,000 | 5 | 1 | 21.57 |
| China Rui Feng Renewable Energy Holdings Limited (527) | 21 June 2024 | N | RMB933,689,137 HK\$161,701,291 HK\$98,000,000 | 3 | 5.5 | (21.29) |
| New Focus Auto Tech Holdings Limited (360) | 27 June 2024 | N | HK\$400,000,000 | 0.5 | 8 | 43.56 |
| China Baoli Technologies Holdings Limited (164) | 12 July 2024 | N | HK\$6,000,000 | 3 | 5 | 370.59 (Note) |
| Ping An Insurance (Group) Company of China, Ltd. (2318 & SH601318) | 16 July 2024 | N | US\$3,500,000,000 | 5 | 0.875 | 21.25 |
| Millennium Pacific Group Holdings Limited (8147) | 9 August 2024 | N | HK\$6,800,000 | 2 | 5 | 17.24 |
| Maximum (excluding outlier, if any) | | | | | 10.00 | 43.56 |
| Minimum (excluding outlier, if any) | | | | | 0.875 | (21.29) |
| Average (excluding outlier, if any) | | | | | 4.99 | 12.00 |
| The Company | 15 August 2024 | | | | 2 | 439.01 |

Source: The Stock Exchange’s website

Note: The premium of relevant transaction was exceptionally high and considered to be an outlier.

i. Conversion price

As illustrated from the table above, the conversion prices of the Comparables (excluding outlier) ranged from a discount of approximately 21.29% to a premium of approximately 43.56%, with an average premium of approximately 12.00%, to/over the respective closing prices of their shares on/prior to the date of agreement. The premium of the Conversion Price over the closing price of the Shares on the Agreement Date is higher than the aforesaid market range. Having also considered that the Conversion Price of HK\$0.76 is significantly above the daily closing prices of the Shares as quoted on the Stock Exchange during the entire Review Period, we are of the view that the Conversion Price to be justifiable.

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ii. Interest rate

As shown in the table above, the interest rates of the Comparables ranged from 0.875% to 10% per annum with an average of approximately 4.99% per annum. The Interest Rate falls within the aforesaid market range and below the average of the Comparables. Having also considered that the Interest Rate of 2% is lower than the effective interest rates of the Group's bank loans as at 31 December 2023 as mentioned above, we are of the view that the Interest Rate is fair and reasonable.

Taking into account the principal terms of the Extension the terms of the Convertible Bonds after the Extension as highlighted above, we are of the view that the terms of the Extension are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. Possible dilution effect on the shareholding interests of the public Shareholders

With reference to the shareholding table in the section headed "Shareholding structure of the Company" of the Board Letter, the shareholding interests of the existing public Shareholders would be diluted by approximately 3.24 percentage point immediately after conversion of the whole of the principal amount of the Convertible Bonds by Prize Rich. Taking into account (i) the aforementioned reasons for and benefits of the Extension; and (ii) the terms of the Extension being fair and reasonable, we are of the view that the dilution effect is justifiable.

RECOMMENDATION

Having taken into consideration of the factors and reasons as stated above, we are of the opinion that (i) the terms of the Extension are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Extension is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Extension and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. 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.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or (ii) entered in the register required to be kept under Section 352 of the SFO or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company were as follows:

Long positions in the Shares

| Name of Director | Capacity | Nature of interest | Number of Shares held | Approximate percentage of total issued Shares as at the Latest Practicable Date ¹ |
|------------------|------------------|--------------------|-----------------------|--|
| HE Xiangming | Beneficial owner | Personal | 1,441,000 | 0.08% |

Note: 1. The percentage was calculated based on 1,712,329,142 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, none of the Directors and chief executives of the Company had, as at the Latest Practicable Date, any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or which were entered in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests and short positions of the Shareholders in the Shares, underlying Shares of the Company

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the interests and short positions of the Shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:–

| Name of Shareholder | Capacity of Shareholder | Number of Shares/ underlying Shares | | Approximate percentage of total issued Shares as at the Latest Practicable Date ¹ |
|--|-------------------------|--|----------------|--|
| | | Long position | Short position | |
| | | | | |
| Glories Holdings (HK) Limited | Beneficial Owner | 1,441,439,842 ² | – | 84.18% |
| Prize Rich | Corporate Interest | 1,441,439,842 ² | – | 84.18% |
| 廣東南海控股集團有限公司 (Guangdong Nanhai Holding Group Co., Ltd.*) | Corporate interest | 1,441,439,842 ² | – | 84.18% |

Notes: 1. The percentage was calculated based on 1,712,329,142 Shares in issue as at the Latest Practicable Date.

2. These 1,441,439,842 shares/underlying shares are held by Prize Rich, which is wholly-owned by Guangdong Nanhai Holding Group Co., Ltd.* (廣東南海控股集團有限公司). On 25 July 2022, Prize Rich agreed to transfer 1,222,713,527 shares and the Convertible Bonds to its wholly-owned subsidiary, Glories Holdings (HK) Limited, pursuant to an equity and convertible bonds transfer agreement.

* For identification purpose only

Saved as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than directors and chief executives of the Company) who had interests or short positions in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept under Section 336 of the SFO.

As at the Latest Practicable Date, no Director or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or his or her respective close associates was considered to have an interest in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors or his or her close associates were appointed to represent the interests of the Company and/or the Group.

4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date,

- (a) none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

6. MATERIAL ADVERSE CHANGE

At the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

7. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The branch share registrar of the Company is Tricor Progressive Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The Company's head office and principal place of business in Hong Kong is at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong.
- (d) The company secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.

8. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion or advice which is contained in this circular:

| Name | Qualification |
|----------------------|--|
| Gram Capital Limited | A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under SFO |

As at the Latest Practicable Date, Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report or letter or opinion (as the case may be) and references to its name and logo in the form and context in which it appears in this circular. As at the Latest Practicable Date, Gram Capital:

- a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and
- b) did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 31 December 2023), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://hingyipkh.quamhkir.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Extension Deed; and
- (b) the Bond Certificate.

NOTICE OF SPECIAL GENERAL MEETING



HING YIP HOLDINGS LIMITED 興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of Hing Yip Holdings Limited (the “**Company**”) will be held at Luxembourg Room I, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 26 September 2024 at 10:30 a.m. to consider and if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:–

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the extension deed (the “**Extension Deed**”, a copy of which has been produced before the meeting marked “**A**” and initialed by the chairman of the meeting for identification purpose) dated 15 August 2024 entered into between the Company and Prize Rich Inc. in relation to the extension of maturity date of the outstanding convertible bonds in the principal amount of HK\$166,232,000 (the “**Convertible Bonds**”) by 3 years from 13 October 2024 to 13 October 2027 (the “**Extension**”) be and is hereby approved, confirmed and ratified;
- (b) subject to The Stock Exchange of Hong Kong Limited approving the Extension, the board of directors of the Company be and is hereby granted a specific mandate to allot and issue new shares of HK\$0.10 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds (as revised by the Extension); and

NOTICE OF SPECIAL GENERAL MEETING

- (c) any director of the Company (the “**Director**”), or if affixation of the common seal is necessary, any two Directors or any one Director and the secretary of the Company, be and is/are hereby authorised for and on behalf of the Company to execute all such documents and agreements and do all such acts and things, including but without limitation to the execution of all such documents under common seal where applicable, as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of or giving effect to the Extension or the Extension Deed and all matters incidental thereto or in connection therewith.”

By Order of the Board
Hing Yip Holdings Limited
HE Xiangming
Chairman

Hong Kong, 5 September 2024

Notes:

1. The special general meeting will be held in form of a physical meeting. Any member of the Company entitled to attend, speak and vote at the meeting shall be entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the principal place of business of the Company at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong not less than forty-eight hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude any member from attending and voting in person at the meeting if the member so wishes and in such event, the proxy form shall be deemed to be revoked.
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 is present at the meeting, the vote of the holder so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.
4. Members whose names appear on the register of members of the Company on Monday, 23 September 2024 will be entitled to attend, speak and vote at the SGM. In order to qualify for the attendance and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited at 17/F, Far East Finance Center, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 September 2024.
5. In case of the special general meeting (or any adjournment thereof) is anticipated to be affected by black rainstorm or tropical cyclone with warning signal no. 8 or above, members are suggested to visit the Company’s website at <http://hingyiphk.quamhkir.com> for arrangements of the special general meeting (or any adjournment thereof).

As at the date of this notice, the Board consists of two executive Directors, namely Mr. HE Xiangming (Chairman) and Mr. FU Weiqiang (President), one non-executive Director, namely Mr. SHI Xuguang and three independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. PENG Xinyu and Ms. LIN Junxian.