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

If you have sold or transferred all your Shares in Hong Kong Resources Holdings Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HONG KONG RESOURCES HOLDINGS COMPANY LIMITED
香港資源控股有限公司

*(Incorporated in Bermuda with limited liability
and carrying on business in Hong Kong as HKRH China Limited)*
(Stock code: 2882)

- (1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT
OF THE TENANCY AGREEMENTS;**
**(2) CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF
(A) THE SUPPLY AGREEMENT; (B) THE PURCHASE AGREEMENT;
AND (C) THE IT SYSTEM AGREEMENT;**
(3) PROPOSED CHANGE OF COMPANY NAME;
(4) PROPOSED AMENDMENTS TO THE BYE-LAWS;
AND
(5) NOTICE OF SGM

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

A letter from the Board is set out on pages 8 to 36 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 37 to 38 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 39 to 82 of this circular.

A notice convening the SGM to be held at 27/F, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong on Friday, 28 June 2024 at 10:30 a.m. is set out on pages SGM-1 to SGM-5 of this circular. A form of proxy for use at the SGM is also enclosed with this circular. Whether or not you are able to attend SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for the holding of the SGM (i.e. before 10:30 a.m. on Wednesday, 26 June 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

References to dates and time in this circular are to Hong Kong dates and time.

13 June 2024

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DEFINITIONS

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

“3DM”	3D-Gold Management Services Limited (金至尊管理服務有限公司), a company incorporated in Hong Kong with limited liability and a subsidiary of CGS
“3D Chongqing”	Chongqing 3D-Gold Jewellery Design Co., Ltd.* (重慶金至尊飾品設計有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS
“3D Shenzhen”	3D-Gold (Shenzhen) Co., Ltd.* (至尊金業(深圳)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS
“Agreements”	collectively, the Supply Agreement, the Purchase Agreement and the IT System Agreement
“Announcements”	the announcement of the Company dated 6 May 2024 in relation to, among others, the (i) Proposed Name Change; and (ii) Bye-Laws Amendments; and the announcement of the Company dated 8 May 2024 in relation to (i) the Tenancy Agreements; and (ii) the Agreements
“Annual Caps”	collectively, the Supply Agreement Annual Caps, the Purchase Agreement Annual Caps and the IT System Agreement Annual Caps
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the amended and restated bye-laws of the Company currently in force which was approved by a special resolution passed by the Shareholders at the annual general meeting held on 30 November 2022
“Bye-Laws Amendments”	has the meaning ascribed thereto under the section headed “Introduction” in the “Letter from the Board” of this circular

DEFINITIONS

“CGS”	China Gold Silver Group Company Limited (中國金銀集團有限公司), a company incorporated in the British Virgin Islands with limited liability and a subsidiary of the Company, which is owned as to 50% by the Company and 50% by Luk Fook 3DM
“CGS Group”	CGS and its subsidiaries
“Chongqing Bo-yuan”	Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶)有限公司), a company established in the PRC with limited liability and indirectly owned as to 92% by the Wong’s family trust, of which Mr. WONG Ho Lung, Danny together with others, are discretionary beneficiaries
“Chongqing Fu-yao”	Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Chongqing Jian-yi”	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司), a company established in the PRC with limited liability which is owned as to 50% by Mr. WONG Ho Lung, Danny
“Chongqing Yu-su”	Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Company”	Hong Kong Resources Holdings Company Limited (香港資源控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2882)
“Computer Programs”	the computer programs in object code form in respect of certain computerized systems to be installed at the CGS Group’s retail outlets and/or head offices (including the user manuals in relation to the computer programs)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules

DEFINITIONS

“Corporate Communications Amendments”	Proposed amendments to the effect that any “corporate communication” (as defined under the Listing Rules) can, to the extent permitted under all applicable laws and regulations, be satisfied by the Company (a) sending or otherwise making available the corporate communication to the relevant holders of its securities using electronic means or (b) making the corporate communication available on its website and the Stock Exchange’s website for the purpose of complying with the amendments to the Listing Rules effective from 31 December 2023 pursuant to the consultation conclusions of the “Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published by the Stock Exchange in June 2023
“Director(s)”	the director(s) of the Company
“Green Rich”	Green Rich Corporation Limited (富翠有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Group”	collectively, the Company and its subsidiaries
“Guangzhou Li Ying”	Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司), a company established in the PRC with limited liability and an indirect wholly- owned subsidiary of Luk Fook Holdings
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Premises”	Units 1506-1512, 1515 and 1516, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong and car parking space no. P322, 3/F, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong
“HK Tenancy Agreements”	the tenancy agreements 3DM entered into with Ultra Power (being an indirect wholly-owned subsidiary of Luk Fook Holdings) and Green Rich (being an indirect wholly-owned subsidiary of Luk Fook Holdings) for the lease of the HK Premises on 8 May 2024

DEFINITIONS

“HKFRS 16”	the “Hong Kong Financial Reporting Standard 16 – Leases” issued by the Hong Kong Institute of Certified Public Accountants, which sets out the principles for the recognition, measurement, presentation and disclosure of leases
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Housekeeping Amendments”	has the meaning ascribed thereto under the section headed “Introduction” of the “Letter from the Board” in this circular
“IT System Agreement”	the information technology system service agreement dated 8 May 2024 and entered into between CGS and Luk Fook Holdings in relation to the provision of certain information technology system-related services by various subsidiaries of Luk Fook Holdings to the Group
“IT System Agreement Annual Caps”	has the meaning ascribed to it under the section headed “(2) Continuing Connected Transactions” in the “Letter from the Board” of this circular
“Independent Board Committee”	comprising Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne, and Dr. CHOW Kwoon Ho, Simon, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder
“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), acting as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder

DEFINITIONS

“Latest Practicable Date”	7 June 2024, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luk Fook 3DM”	Luk Fook 3D Management Company Limited (六福3D管理有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Luk Fook Group”	Luk Fook Holdings and its subsidiaries
“Luk Fook Holdings”	Luk Fook Holdings (International) Limited (六福集團(國際)有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0590)
“Luk Fook Shenzhen”	Luk Fook Commerce (Shenzhen) Co. Ltd.* (六福商業(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Macau”	the Macau Special Administrative Region of the PRC
“Maxigood”	Maxigood Enterprises Limited (萬利佳企業有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Name Change Amendments”	proposed amendments to the Bye-Laws to reflect the Proposed Name Change as set out in the Appendix II to this circular
“New Bye-Laws”	the second amended and restated bye-laws of the Company incorporating the Bye-Laws Amendments in substitution for, and to the exclusion of, the Bye-Laws
“PRC” or “Mainland China”	the People’s Republic of China
“PRC Landlords”	collectively, Chongqing Jian-yi, Chongqing Bo-yuan, Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen and Guangzhou Li Ying

DEFINITIONS

“PRC Premises”	(i) Units 1701-1712, 1802-1806, 1807A, 1808-1809 and Partial Unit 1807B, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC; (ii) Partial area of third floor, No. 60, Liuhe Street, Dongchong Town, Nansha District, Guangzhou, China; (iii) No. 15, 3F, No. 7 Jianguomennei Street, Dongcheng District, Beijing, China; and (iv) a room at Atour Hotel, 26-31/F, Block A, Shuibei Jewellery Headquarters Building, No. 3008 Buxin Road, Dongxiao Street, Luohu District, Shenzhen, Guangdong, China
“PRC Tenancy Agreements”	the tenancy agreements dated 8 May 2024 and entered into between various subsidiaries of the Company and the PRC Landlords for the lease of the PRC Premises
“Proposed Name Change”	proposed change of the English name of the Company from “Hong Kong Resources Holdings Company Limited” to “3DG HOLDINGS (INTERNATIONAL) LIMITED” and proposed change of the secondary name of the Company in Chinese from “香港資源控股有限公司” to “金至尊集團(國際)有限公司”
“Purchase Agreement”	the framework agreement dated 8 May 2024 and entered into between CGS and Maxigood in respect of the purchase of goods by CGS (for itself and as an agent for and on behalf of each of its subsidiaries) from Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings)
“Purchase Agreement Annual Caps”	has the meaning ascribed thereto under the section headed “(2) Continuing Connected Transactions” in the “Letter from the Board” of this circular
“SGM”	the special general meeting of the Company to be convened, as and when appropriate, for the Independent Shareholders to consider, and vote on, the Tenancy Agreements, the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder, and the Aggregated Annual Caps
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply Agreement”	the framework agreement dated 8 May 2024 and entered into between CGS and Maxigood in respect of the supply of goods by CGS (for itself and as an agent for and on behalf of each of its subsidiaries) to Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings)
“Supply Agreement Annual Caps”	has the meaning ascribed thereto under the section headed “(2) Continuing Connected Transactions” in the “Letter from the Board” of this circular
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tenancy Agreements”	the HK Tenancy Agreements and the PRC Tenancy Agreements
“Ultra Power”	Ultra Power Corporation Limited (越能有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“RMB”	Renminbi, the lawful currency of the PRC
“Zhen Fu Beijing”	Zhen Fu Jewellery (Beijing) Co., Ltd.* (臻福珠寶(北京)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS
“Zun Fu Chongqing”	Zun Fu Jewellery (Chongqing) Co., Ltd.* (尊福珠寶(重慶)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS
“%”	per cent

* *In this circular, the English translation of certain Chinese names, entities and addresses is included for information purpose only and should not be regarded as official English translation of such Chinese names, entities and addresses.*

LETTER FROM THE BOARD



HONG KONG RESOURCES HOLDINGS COMPANY LIMITED
香港資源控股有限公司

*(Incorporated in Bermuda with limited liability
and carrying on business in Hong Kong as HKRH China Limited)*
(Stock code: 2882)

Executive Directors:

Mr. WONG Ho Lung, Danny
(Chairman and Chief Executive Officer)
Ms. CHEUNG Irene *(Chief Operating Officer)*
Ms. WONG Hau Yeung
Dr. CHAN So Kuen

Non-executive Director:

Ms. YEUNG Po Ling, Pauline

Independent non-executive Directors:

Mr. SZE Yeung Kuen
Mr. CHAN Raymond
Dr. LAM Ki Wai, Lianne
Dr. CHOW Kwoon Ho, Simon

Registered Office:

Clarendon House
2 Church Street
Hamilton
HM11 Bermuda

*Principal place of
business in Hong Kong:*

Units 06-11, 15/F,
Metropole Square
No.2 On Yiu Street
Shek Mun, Shatin
New Territories
Hong Kong

13 June 2024

To the Shareholders

Dear Sir or Madam,

- (1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT
OF THE TENANCY AGREEMENTS;**
**(2) CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF
(A) THE SUPPLY AGREEMENT; (B) THE PURCHASE AGREEMENT;
AND (C) THE IT SYSTEM AGREEMENT;**
(3) PROPOSED CHANGE OF COMPANY NAME;
**(4) PROPOSED AMENDMENTS TO THE BYE-LAWS;
AND
(5) NOTICE OF SGM**

INTRODUCTION

References are made to the Announcements.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder; (ii) the Proposed Name Change; (iii) the proposed amendments to the Bye-Laws in relation to (a) the Name Change Amendments; (b) the Corporate Communications Amendments, and (c) other housekeeping amendments (the “**Housekeeping Amendments**”) to the Bye-Laws (collectively, the “**Bye-Laws Amendments**”); (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vi) a notice of the SGM.

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF THE TENANCY AGREEMENTS

The Board announces that on 8 May 2024, (i) various subsidiaries of the Company entered into the PRC Tenancy Agreements with the PRC Landlords in respect of the lease of the PRC Premises at the aggregate monthly rent of RMB526,270 (equivalent to approximately HK\$570,213); and (ii) 3DM (being an indirect subsidiary of the Company) entered into the HK Tenancy Agreements with Ultra Power (being an indirect wholly-owned subsidiary of Luk Fook Holdings) and Green Rich (being an indirect wholly-owned subsidiary of Luk Fook Holdings) in respect of the lease of the HK Premises at the aggregate monthly rent of HK\$263,333.

The principal terms of the PRC Tenancy Agreements are set out below:

1. Tenant: 3D Shenzhen

Date:	8 May 2024 (after trading hours)		
Landlord:	Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司)	Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司)	Luk Fook Commerce (Shenzhen) Co. Ltd.* (六福商業(深圳)有限公司)
PRC Premises:	Units 1701-1706, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	Units 1707-1712, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	A room at Atour Hotel, 26-31/F, Block A, Shuibei Jewellery Headquarters Building, No. 3008 Buxin Road, Dongxiao Street, Luohu District, Shenzhen, the PRC

LETTER FROM THE BOARD

Lettable area: (sq. m.)	899.8	888.61	52
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027	30 months from 1 January 2025 to 30 June 2027
Usage:	For use as office	For use as office	For use as accommodation for a secondment staff
Monthly rent:	RMB134,970	RMB133,291.5	RMB12,500
Deposit:	RMB269,940	RMB266,583	RMB12,500

2. Tenant: 3D Chongqing

Date:	8 May 2024 (after trading hours)		
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司)	Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶)有限公司)	
PRC Premises:	Partial unit 1807B, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	Units 1808-1809, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	
Lettable area: (sq. m.)	140.45	296.14	
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027	
Usage:	For use as office	For use as office	
Monthly rent:	RMB21,067.5	RMB44,421	
Deposit:	RMB42,135	RMB88,842	

LETTER FROM THE BOARD

3. Tenant: Zun Fu Chongqing

Date:	8 May 2024 (after trading hours)	
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司)	Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司)
PRC Premises:	Units 1802-1806 & 1807A, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	Partial area of third floor, No. 60, Liuhe Street, Dongchong Town, Nansha District, Guangzhou, the PRC
Lettable area: (sq. m.)	761.87	83.4
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027
Usage:	For use as office	For use as office
Monthly rent:	RMB114,280.5	RMB2,085
Management fee:	Nil	RMB1,584.6
Deposit:	RMB228,561	Nil

LETTER FROM THE BOARD

4. Tenant: Zhen Fu Beijing

Date:	8 May 2024 (after trading hours)
Landlord:	Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司)
PRC Premises:	No. 15, 3F, No. 7 Jianguomennei Street, Dongcheng District, Beijing, the PRC
Lettable area: (sq. m.)	449.9
Term:	25 months from 1 June 2025 to 30 June 2027
Usage:	For use as office
Monthly rent:	RMB63,654
Deposit:	RMB120,000

The negotiation of the terms of the PRC Tenancy Agreements was conducted by the parties on an arm's length basis and each of the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage.

In evaluating the PRC Tenancy Agreements, the Group appraised the rental terms of the PRC Tenancy Agreements against the market rental terms by conducting market research on comparable premises in the local market, including interviewing with local real estate agents, thereby determining the range of fair market rent for the PRC Premises. In establishing the open market rental, the Group took into account (i) the floor area (square meters of 449 to 1,789); (ii) condition (rough or fine finishing); (iii) amenities (with shopping mall and/or car park); (iv) location (near certain suppliers and/or metro stations); and (v) current market trends (market sentiments, consumer price index and/or the local economy condition) to select the appropriate comparable to determine the rent under the PRC Tenancy Agreements.

Based on the above criteria to select the appropriate comparable, the Group has obtained certain appropriate comparable available in the market on a best effort basis, including (i) 3 premises for use as office located in Shenzhen, the PRC with (a) monthly rent ranging from RMB160,000 to RMB280,000; (b) square meters ranging from 800 to 1,600 square meters; and (c) the distance between the subject premises and metro stations ranging from 354 to 560 meters; (ii) 2 premises for use as office located in Guangzhou, the PRC with (a) monthly rent ranging from RMB16,000 to RMB38,700; (b) square meters ranging from 400 to 860 square meters; and (c) the distance between the subject premises and metro stations ranging from 6,700 to 7,700 meters; (iii) 4 premises for use as office

LETTER FROM THE BOARD

located in Beijing, the PRC with (a) monthly rent ranging from RMB73,320 to RMB104,740; (b) square meters ranging from 376 to 537 square meters; and (c) the distance between the subject premises and metro stations at around 490 meters; and (iv) 2 premises for use as accommodation for staff with (a) monthly rent ranging from RMB12,500 to RMB25,000; (b) square meters ranging from 50 to 58 square meters; and (c) the distance between the subject premises and metro stations ranging from 500 to 1,000 meters.

The rent payable by the Group for the PRC Premises is expected to be financed by internal resources of the Group.

The principal terms of the HK Tenancy Agreements are set out below:

Date:	8 May 2024 (after trading hours)	
Tenant:	3D-Gold Management Services Limited (金至尊管理服務有限公司)	
Landlord:	Ultra Power Corporation Limited (越能有限公司)	Green Rich Corporation Limited (富翠有限公司)
HK Premises:	Units 1506-1512, 1515 and 1516, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong	Car parking space no. P322, 3/F, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong
Net lettable area: (sq. m.)	676.07	11.33
Term:	35 months from 1 August 2024 to 30 June 2027 (both dates inclusive)	35 months from 1 August 2024 to 30 June 2027 (both dates inclusive)
Usage:	For use as office	Car Parking
Monthly rent:	HK\$261,533	HK\$1,800
Management and air conditioning fees: (approx.)	HK\$39,581	Nil
Security deposit: (approx.)	HK\$301,114	HK\$1,800

LETTER FROM THE BOARD

The negotiation of the terms of the HK Tenancy Agreements was conducted by the parties on an arm's length basis and each of the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage.

In evaluating the HK Tenancy Agreements, the Group appraised the rental terms of the HK Tenancy Agreements against the market rental terms by conducting market research on comparable premises in the market, including reviewing lease transaction records on websites of real estate agents, thereby determining the range of fair market rent for the HK Premises. In establishing the open market rental, the Group took into account (i) the floor area (square feet of 9,369 to 19,139); (ii) condition (rough or fine finishing); (iii) amenities (with shopping mall and/or car park); (iv) location (near certain suppliers and/or MTR stations); and (v) current market trends (market sentiments, consumer price index and/or the local economy condition) to select the appropriate comparable to determine the rent under the HK Tenancy Agreements.

Based on the above criteria to select the appropriate comparable, the Group has obtained certain appropriate comparable available in the market on a best effort basis, including (i) 2 premises for use as office located in Shatin, Hong Kong with (a) monthly rent ranging from HK\$196,750 to HK\$478,480; (b) square feet ranging from 9,369 to 19,139 square feet; and (c) the distance between the subject premises and MTR stations at around 223 meters; and (ii) 2 car parking spaces in the same building as the office location with monthly rent at HK\$3,900.

The rent payable by the Group for the HK Premises is expected to be financed by internal resources and loan facilities of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENTS

In respect of the PRC Tenancy Agreements

The CGS Group has an imminent need to renew the tenancy of the PRC Premises for use as office or seek other premises for continuance of its business. In evaluating the options of renewal of tenancy of the PRC Premises or leasing a new location, it is considered that the PRC Premises is located in an area where the CGS Group has been familiar with. Furthermore, the PRC Premises are furnished with renovation and furniture, which will save renovation and furniture costs for the Group.

In relation to a room at Atour Hotel, the Group intended to lease such room at Atour Hotel as accommodation for a secondment staff and it constitutes part of his remuneration package.

LETTER FROM THE BOARD

In respect of the HK Tenancy Agreements

The CGS Group has an imminent need to renew the tenancy of the HK Premises or seek other premises for the continuation and expansion of its business. In evaluating the options of renewal of tenancy of the HK Premises or leasing a new location, it is considered that the HK Premises are located in an area where the CGS Group is familiar. Furthermore, the HK Premises are furnished with renovations and furniture, which will save on renovation and furniture costs for the Group. Moreover, as the existing office space is not sufficient for the business development of the Group, the Group is in need of additional office space. The Directors considered that it would benefit the Group to have an office adjacent to the existing office premises so that all resources could be consolidated, enhancing efficiency compared to having geographically dispersed office locations.

The Directors have reviewed the Tenancy Agreements and considered that the Tenancy Agreements were entered into under normal commercial terms at comparable market rents. Having reviewed the terms of the Tenancy Agreements, the Board (including the independent non-executive Directors who have taken into account the opinion given by the Independent Financial Adviser) is of the view that the transaction was entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and confirmed that the terms of the transaction were fair and reasonable and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the Tenancy Agreements were entered into with the PRC Landlords, Ultra Power and Green Rich, the transactions contemplated under the Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 14 of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the Tenancy Agreements will require the Group to recognise the PRC Premises and HK Premises as the right-of-use assets on its balance sheet, thus the entering into of the Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the Tenancy Agreements and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, (i) each of Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is an indirect wholly-owned subsidiary of Luk Fook Holdings; and (ii) Mr. WONG Ho Lung Danny is an executive director of the Company and CGS and (a) he owns 50% interest in Chongqing Jian-yi; and (b) is one of the

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discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan; thus each of Chongqing Jian-yi, Chongqing Bo-yuan, Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) CONTINUING CONNECTED TRANSACTIONS

(A) The Supply Agreement

The principal terms of the Supply Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Purchaser:	Maxigood Enterprises Limited (萬利佳企業有限公司)
Supplier:	China Gold Silver Group Company Limited (中國金銀集團有限公司)
Term:	1 July 2024 to 30 June 2027, provided that either party may terminate the Supply Agreement without penalty by giving the other party at least three months' written notice of termination, unless otherwise specified in the terms thereof.
Sale and purchase of goods:	CGS (for itself and as an agent for and on behalf of each of its subsidiaries) shall supply to Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) and Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) shall purchase from CGS (for itself and as an agent for and on behalf of each of its subsidiaries), raw materials and/or finished goods in respect of platinum and gold jewellery and gold ornaments, gem-set jewellery, jadeites, gemstones and other accessory items, subject to the terms and conditions of the Supply Agreement.

Each transaction shall be effected by the relevant purchase order to be entered into between CGS and Maxigood.

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Pricing basis: The pricing of the transactions contemplated under the Supply Agreement will be determined on the following basis:

- (a) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of CGS which is equivalent or comparable to those prices offered to third parties independent of CGS for similar goods and having regard to the quantity and other conditions of the sale; and
- (b) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of Maxigood which is equivalent or comparable to those prices obtained by Maxigood from third parties independent of Maxigood for similar goods and having regard to the quantity and other conditions of the purchase.

Prior to effecting the relevant sales order, CGS will send request for quotation to a minimum of two independent third parties who might be interested in purchasing the relevant product. In determining the number of request for quotation to be sent, CGS will take into account (i) the availability of purchasers; and (ii) the importance of securing the best possible price.

To ensure comparability, the request for quotation will specify the validity period of the quotation.

The final determined price shall be approved by CGS's finance, procurement and operations departments. If CGS obtains more competitive price and terms for the relevant product from an independent third party, CGS will negotiate with Maxigood for comparable price and terms of the relevant product, and has full discretion to decide whether to engage Maxigood before effecting the sales order.

Payment term: Maxigood shall pay to CGS within 30 business days after the date of the relevant invoice issued by CGS to Maxigood.

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Historical figures: Set out below are the aggregate historical amounts of the consideration received by the CGS Group for the transactions pursuant to the previous supply agreement for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount <i>(HK\$'000)</i> <i>(approx.)</i>	382	1,495	–
Historical Annual Caps <i>(HK\$'000)</i>	50,000	60,000	70,000

Annual caps: With reference to the estimated growth of the CGS Group's business and the estimated level of CGS Group's aged products inventory (estimated based on the level of aged products inventory currently held by the CGS Group), the parties to the Supply Agreement had agreed on the following annual caps for the sale and purchase of goods (the "**Supply Agreement Annual Caps**"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount <i>(HK\$'000)</i> <i>(approx.)</i>	33,000	33,000	33,000

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For the three years ending 30 June 2025, 2026 and 2027, it is estimated that the over five years aged products inventory to be sold by the CGS Group will amount to approximately HK\$33.0 million, HK\$33.0 million and HK\$33.0 million, respectively. The CGS Group may sell its aged products inventory to its purchasers regardless of whether the purchaser is an independent third party or connected persons (i.e. the Luk Fook Group).

The Directors take the view that the CGS Group has the full discretion to decide which purchaser(s) to sell its products inventory to, but the Supply Agreement Annual Caps will allow the CGS Group to have a flexibility to sell the accumulated products inventory to the Luk Fook Group, in the event the Luk Fook Group provides the best offer among purchasers. The Board believes that, regardless of the historical amounts of consideration received by the CGS Group from the Luk Fook Group, the Supply Agreement Annual Caps reflecting the maximum amount of over five years aged products inventory that could be sold by the CGS Group during the three years ending 30 June 2025, 2026 and 2027 will provide more flexibility to the CGS Group in terms of disposing these aged products inventory, which is in turn more favourable to the business operations of the CGS Group.

(B) The Purchase Agreement

The principal terms of the Purchase Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Purchaser:	China Gold Silver Group Company Limited (中國金銀集團有限公司)
Supplier:	Maxigood Enterprises Limited (萬利佳企業有限公司)

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- Term: 1 July 2024 to 30 June 2027, provided that either party may terminate the Purchase Agreement without penalty by giving the other party at least three months' written notice of termination, unless otherwise specified in the terms thereof.
- Sale and purchase of goods: CGS (for itself and as an agent for and on behalf of each of its subsidiaries) shall purchase from Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) and Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) shall supply to CGS (for itself and as an agent for and on behalf of each of its subsidiaries), raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items, subject to the terms and conditions of the Purchase Agreement.
- Each transaction shall be effected by the relevant purchase order to be entered into between CGS and Maxigood.
- Pricing basis: The pricing of the transactions contemplated under the Purchase Agreement will be determined on the following basis:
- (a) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of Maxigood which is equivalent or comparable to those prices offered to third parties independent of Maxigood for similar goods and having regard to the quantity and other conditions of the sale; and
 - (b) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of CGS which is equivalent or comparable to those prices obtained by CGS from third parties independent of CGS for similar goods and having regard to the quantity and other conditions of the purchase.

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Prior to effecting the relevant purchase order, CGS will (i) obtain a minimum of two price quotations or price records from independent third parties who offer the comparable product in terms of quality and specification; and (ii) to the extent possible, obtain market quotations of comparable products from official websites.

In determining the number of quotations to be obtained, CGS will take into account (i) the craftsmanship of the product being procured; (ii) the availability of suppliers; and (iii) the importance of securing the best possible price.

To ensure the price data is current and accurately reflects recent market conditions, the period of reference for the aforesaid price quotations will be as recent as possible within the preceding zero to three months, subject to a longer reference period of six months in the case CGS deems it more appropriate to account for seasonal fluctuations or to identify long-term pricing trends. The period of reference will be clearly specified on the requests for price quotations to ensure all quotations are based on the same period of reference.

In addition to price quotations, the Group will also make reference to: (i) in the case of the price of gold raw materials, Heraeus Hong Kong, a leading and reputable company in the global precious metals business, with its operations spanning the value chains of all eight types of precious metals; and (ii) in the case of the price of diamond raw materials, Rapaport Diamond Prices, the international benchmark for establishing diamond prices in major markets.

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The final determined price will take into account the real-time market data collected by the Group's procurement department based on the above methods (which are updated on a weekly, and to the extent possible, a daily basis) and the uniqueness and craftsmanship of the product which shall then be approved by CGS's finance, procurement and operations departments. If CGS obtains more reasonable price and terms for the relevant product from an independent third party, CGS will negotiate with Maxigood for comparable price and terms of the relevant product, and has full discretion to decide whether to engage Maxigood before effecting the purchase order.

Payment term: CGS shall pay to Maxigood within 30 business days after the date of the relevant invoice issued by Maxigood to CGS.

Historical figures: Set out below are the aggregate historical amounts of the consideration paid by the CGS Group for the transactions pursuant to the previous purchase agreement for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount (HK\$'000) (approx.)	3,902	3,102	52,565
Historical Annual Caps (HK\$'000)	50,000	60,000	70,000

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Annual caps:

With reference to the historical transaction amounts and the estimated growth of the CGS Group's business, the parties to the Purchase Agreement had agreed on the following annual caps for the sale and purchase of goods (the "**Purchase Agreement Annual Caps**"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount	210,000	270,000	340,000
<i>(HK\$'000)</i>			
<i>(approx.)</i>			

The Purchase Agreement Annual Caps were determined with reference to the following factors:

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- (a) the anticipated growth and increase in CGS Group’s demand for the relevant goods as a result of the anticipated increase in self-operated and licensee points-of-sale of the CGS Group for the financial years ahead. Subsequent to the completion of the acquisition of majority stake in the Company by the Luk Fook Group (the “**Acquisition**”) in January 2024, the business plans and strategies for the future business development of the CGS Group have been formulated continuously and gradually by the newly appointed Directors. For years, before the completion of the Acquisition and particularly in the midst of the Covid-19 pandemic, the gold and jewellery retail and franchising business of the CGS Group had been loss-making while the network footprint had been downsizing progressively. As at 31 December 2023, the self-operated and licensee points-of-sale of the CGS Group decreased to a total of 222, which is a scale much less than optimal from operational-efficiency perspective. In order to achieve operational-efficiency, the Group plans to expand from a total of 222 self-operated and licensee points-of-sale as at 31 December 2023 to a total of around 400 by June 2026, which is the scale of operation previously achieved by the CGS Group before Covid-19 pandemic. It is anticipated that the CGS Group could achieve a business turnaround and benefit from the economies of scale by adopting this proactive network expansion approach combined with other business strategies.

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- (b) the ratio of actual purchases made by the CGS Group from the Luk Fook Group to the total purchases made by the CGS Group for the recent interim period of the current financial year 2023/24 (being approximately 15%), which had increased significantly after the announcement of the possible Acquisition in July 2023. The Board considered the transactions with the Luk Fook Group will be in the interest of the CGS Group, as it would ensure reliable delivery of quality products to the CGS Group at prices and payment terms no less favourable to the CGS Group than terms available from independent third party suppliers; and
- (c) the possible increase in the level of future cooperation between the Group and the Luk Fook Group in 2025, 2026 and 2027.

(C) The IT System Agreement

- Date: 8 May 2024 (after trading hours)
- Parties: (1) Luk Fook Holdings (International) Limited (六福集團(國際)有限公司)
- (2) China Gold Silver Group Company Limited (中國金銀集團有限公司)
- Term: 1 July 2024 to 30 June 2027, provided that either party may terminate the IT System Agreement without penalty by giving the other party at least three months' written notice of termination, unless otherwise specified in the terms thereof.
- Scope of transactions: The CGS Group may from time to time purchase information technology system services from the Luk Fook Group, which shall include (i) licensing of software, (ii) maintenance services, (iii) system and software implementation and customization, (iv) IT infrastructure and network, (v) technical support services and etc. in relation to business process & backend support applications and operating systems.

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Pursuant to the IT System Agreement, any entity within the Luk Fook Group may enter into a separate service request, confirmatory document, or other definitive agreement (each a “**Definitive Agreement**”) with any entity within the Group, provided that nothing in the Definitive Agreement(s) may contravene the terms and conditions of the IT System Agreement.

Pricing policy:

The CGS Group shall pay service fees to the Luk Fook Group for the information technology services based on the pricing of each specific service as agreed by both parties. The fees shall be determined with reference to the prevailing price of similar services in the open market, as well as the development costs, operating costs, nature and scale of the relevant information technology systems or projects, with markups of no more than 15%, subject to mutual negotiation and corresponding adjustments in line with the applicable market practice, to ensure that the price is no less favourable to the CGS Group than the price offered by independent third-party suppliers for similar services and that the price is determined after arm’s length negotiation between the parties on normal commercial terms.

Set out below are the aggregate historical amounts of the service fees paid by the CGS Group for the transactions pursuant to the previous information technology system service agreement for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount	283	174	134
<i>(HK\$’000)</i>			
<i>(approx.)</i>			

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Annual caps:

With reference to the historical transaction amount and the estimated growth of the Group's business, the parties to the IT System Agreement had agreed on the following annual caps for the information technology service (the "IT System Agreement Annual Caps"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount <i>(HK\$'000)</i> <i>(approx.)</i>	5,000	12,000	5,000

The IT System Agreement Annual Caps were determined with reference to following factors:

- (a) historical transaction amounts paid by the CGS Group to the Luk Fook Group in relation to the existing systems;
- (b) the CGS Group's increasing demand for information technology services and substantial implementation of certain new systems in line with the anticipated growth of the CGS Group's retail and franchising business, which corresponds with the Group's latest proactive network expansion strategy;
- (c) the current price for such anticipated new systems and customisation services required by the Group;
- (d) the forecasted maintenance fees and other ancillary fees for the existing systems and the anticipated new systems; and
- (e) a moderate inflation rate projected for the years ending 30 June 2025, 2026 and 2027.

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In particular, in respect of the IT System Agreement Annual Cap for the year ending 30 June 2026 in the amount of HK\$12,000,000, it was determined in view of the expected substantial increase in demand for the information technology services as well as the implementation of certain new systems that is in line with the Group's expansion plan to significantly increase the number of self-operated and licensee points-of-sale to a total of around 400 by June 2026. As such, it is expected that the price to be paid for information technology services for the year ending 30 June 2025 and 2027 will be far less than those for the year ending 30 June 2026 since the substantial price to be paid for the anticipated new systems is expected to be incurred in the year ending 30 June 2026.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE AGREEMENTS

The entering into of the Agreements is to renew some of the expired agreements and is based on the commercial needs of the Group, which is in the ordinary and usual course of business of the Group and also in the interest of the Group and the Shareholders as a whole after taking into account the following:

- (a) the Supply Agreement will ensure a consistent sales of raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items by the CGS Group at rates consistent with the market;
- (b) the Purchase Agreement will continue to ensure a consistent supply of raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items to the CGS Group at rates consistent with the market; and
- (c) the IT System Agreement will allow the Group to streamline information technology processes, standardize service delivery and reduce operational risks, thereby cultivating an efficient and scalable information technology infrastructure that aligns with the Group's strategic business objectives.

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The Company will implement the respective pricing procedures disclosed above and the following internal control procedures in order to ensure that the pricing policies, the terms of the Agreements and the transactions thereunder are fair and reasonable and no less favourable than the terms provided by any independent third party:

- (a) The finance, procurement and operations departments of the Company will review and examine the terms of the Agreements and the transactions thereunder stringently and on a half-yearly basis to ensure that the Annual Caps are not exceeded, and that the pricing of the transactions are no less favourable to the Group than those with independent third parties;
- (b) The Company's internal auditor will conduct internal assessments on a yearly basis with respect to the completeness and effectiveness of the internal control measures of the Company in relation to the Agreements and the transactions thereunder;
- (c) The Board and its audit committee will review the annual financial report containing information on the implementation of the Agreements on an annual basis. The independent non-executive Directors will provide their opinions on the Agreements and the transactions thereunder during the periods of the reports, mainly including whether the transactions are fair and reasonable, and whether the actual transaction amounts incurred pursuant to the Agreements are within the Annual Caps; and
- (d) The external auditor of the Company will conduct an annual audit each year and issue its opinions whether the amounts incurred pursuant to the Agreements are within the Annual Caps during the year, in accordance with the requirements of the Listing Rules.

Having taken into account the factors and reasons set out above, the Directors (including the independent non-executive Directors who have taken into account the opinion given by the Independent Financial Adviser) are of the view that:

- (a) based on the estimated growth of the CGS Group's business and the estimated level of CGS Group's aged products inventory (estimated based on the level of aged products inventory currently held by the CGS Group), the Supply Agreement (including the Supply Agreement Annual Caps) is on normal commercial terms, entered into on an arm's length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned;

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- (b) based on the historical transaction amounts and the estimated growth of the CGS Group's business, the Purchase Agreement (including the Purchase Agreement Annual Caps) is on normal commercial terms, entered into on an arm's length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned;
- (c) based on the historical transaction amounts and the estimated growth of the CGS Group's business, the IT System Agreement (including the IT System Agreement Annual Caps) is on normal commercial terms, entered into on an arm's length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned; and
- (d) by implementing the pricing policies and internal control procedures, the Company has established sufficient internal control measures to ensure the Agreements are entered into on an arm's length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned.

INFORMATION OF THE PARTIES

The Company is an investment holding company. The Group is principally engaged in the retail sales and franchising operations for gold and jewellery products in Hong Kong, Macau and Mainland China and the wholesaling and contracting operations of gold and jewellery products in Mainland China.

CGS is a subsidiary of the Company and is owned as to 50% by each of the Company and Luk Fook 3DM. The principal activity of CGS is investment holding. Its subsidiaries are principally engaged in the trading and sale of gold, platinum and jewellery products in Hong Kong, Macau and other region in the PRC through retailing, licensing and e-commerce under the brand or trade names of "3D-GOLD" and "金至尊".

3DM is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CGS. 3DM is principally engaged in providing management services.

3D Shenzhen is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. 3D Shenzhen is principally engaged in retailing & franchising operations of gold and jewellery products in Mainland China.

3D Chongqing is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. 3D Chongqing is principally engaged in wholesaling operations of gold and jewellery products in Mainland China.

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Zun Fu Chongqing is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. Zun Fu Chongqing is principally engaged in retailing & franchising operations of gold and jewellery products in Mainland China.

Zhen Fu Beijing is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. Zhen Fu Beijing is principally engaged in retailing & franchising operations of gold and jewellery products in Mainland China.

The principal activity of Luk Fook Holdings is investment holding. Its subsidiaries (including Luk Fook 3DM) are principally engaged in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery and gem-set jewellery.

Luk Fook Shenzhen is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Luk Fook Shenzhen is principally engaged in business of hotel operation in the PRC.

Chongqing Fu-yao is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Chongqing Fu-yao is principally engaged in property holding in the PRC.

Guangzhou Li Ying is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Guangzhou Li Ying is principally engaged in property holding in the PRC.

Ultra Power is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Ultra Power is principally engaged in property holding in Hong Kong.

Green Rich is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Green Rich is principally engaged in property holding in Hong Kong.

Chongqing Yu-su is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Chongqing Yu-su is principally engaged in property holding in the PRC.

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Maxigood is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Maxigood is principally engaged in manufacture and wholesale distribution of a variety of gem-set jewellery and gemstones.

Chongqing Jian-yi is a company established in the PRC with limited liability and is owned as to 50% by Mr. WONG Ho Lung Danny. Chongqing Jian-yi is principally engaged in property holding in the PRC.

Chongqing Bo-yuan is a company established in the PRC with limited liability and is indirectly owned as to 92% by the Wong's family trust, of which Mr. WONG Ho Lung Danny together with others, are discretionary beneficiaries. Chongqing Bo-yuan is principally engaged in software consultancy services.

IMPLICATIONS UNDER THE LISTING RULES

As (i) Luk Fook Holdings is a substantial shareholder of the Company; (ii) Maxigood is an indirect wholly-owned subsidiary of Luk Fook Holdings; and (iii) Mr. WONG Ho Lung Danny is an executive director of the Company and CGS and one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan thus each of Maxigood and Chongqing Bo-yuan is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest of the Annual Caps exceed 5%, the Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(3) PROPOSED CHANGE OF COMPANY NAME

Reference is made to the announcement of the Company dated 6 May 2024 in relation to the Proposed Name Change and the Bye-Laws Amendments.

The Board proposes to change the English name of the Company from "Hong Kong Resources Holdings Company Limited" to "3DG HOLDINGS (INTERNATIONAL) LIMITED" and change the secondary name of the Company in Chinese from "香港資源控股有限公司" to "金至尊集團(國際)有限公司".

The Company will propose a special resolution at the SGM to approve the Proposed Name Change.

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Conditions for the Proposed Name Change

The Proposed Name Change is subject to the following:

- (i) the approval by the Shareholders by way of special resolution at the SGM; and
- (ii) the approval of the Registrar of Companies in Bermuda by issuing a certificate of change of name and certificate of secondary name.

Subject to satisfaction of the conditions set out above, the Proposed Name Change will take effect from the date on which the Registrar of Companies in Bermuda issues a certificate of change of name and certificate of secondary name. The Company will then comply with the necessary registration and/or filing procedures with the Companies Registry in Hong Kong.

Reasons for the Proposed Name Change

The Board considers that the Proposed Name Change will provide the Company with a more relevant and distinctive corporate image and identity and enhance the Company's brand identity in the context of its future business development. As such, the Board believes that the Proposed Name Change is in the best interests of the Company and the Shareholders as a whole.

Effect of the Proposed Name Change

The Proposed Name Change will not affect any rights of the Shareholders. The existing share certificates in issue bearing the present name of the Company will, after the Proposed Name Change becoming effective, continue to be prima facie evidence of legal title and the existing share certificates will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new certificates bearing the new name of the Company.

Upon the Proposed Name Change becoming effective and from then on, new certificates in respect of the shares of the Company will be issued under the new name of the Company and, subject to the confirmation by the Stock Exchange, the English and Chinese stock short names of the Company will also be changed.

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(4) PROPOSED AMENDMENTS TO THE BYE-LAWS

The Board also proposes to (i) make the Name Change Amendments to the Bye-Laws to reflect the Proposed Name Change; (ii) make the Corporate Communications Amendments for the purpose of complying with the amendments to the Listing Rules effective from 31 December 2023 pursuant to the consultation conclusions of the “Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published by the Stock Exchange in June 2023; and (iii) make the Housekeeping Amendments. Full particulars of the Bye-Laws Amendments (marked-up against the existing Bye-Laws) are set out in Appendix II to this circular.

A special resolution will be proposed at the SGM to consider and, if thought fit, approve, among others, the Bye-Laws Amendments.

The Name Change Amendments are subject to (i) the approval of the Shareholders by way of special resolution at the SGM; and (ii) the Proposed Name Change becoming effective. The Corporate Communications Amendments and the Housekeeping Amendments are subject to the approval of the Shareholders by way of special resolution at the SGM.

The New Bye-Laws will be prepared in the English language and its Chinese language translation is for reference only. In the event of any inconsistencies between the English language version and the Chinese language version of the New Bye-Laws, the English language version shall prevail.

SGM

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, further details of (a) the Tenancy Agreements and the transactions contemplated thereunder; (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps); (c) the Proposed Name Change; (d) the Bye-Laws Amendments and adoption of the New Bye-Laws. A notice convening the SGM to be held at 10:30 a.m., on Friday, 28 June 2024 at 27/F, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong is set out on pages SGM-1 to SGM-5 of this circular.

Shareholders including (i) Luk Fook (Control) Limited, Luk Fook 3D Investment Holding Company Limited, Luk Fook Holdings Company Limited, Luk Fook 3D Management Company Limited, Dragon King Investment Limited, LF Enterprises Limited, Luk Fook Financial Services Limited, Mr. WONG Wai Sheung, Ms. LUK Chui Yee, Ms. WONG Lan Sze, Nancy and Mr. WONG Ho Lung, Danny (being associates of either Luk Fook Holdings, Chongqing Jian-yi or Chongqing Bo-yuan); and (ii) Ms. WONG Hau Yeung, Dr. CHAN So Kuen and her spouse, all of whom are entitled to exercise control over their respective voting rights in the Company, will abstain from voting on the relevant ordinary resolution(s) at the SGM to approve the Tenancy Agreements, the Agreements and the transactions contemplated thereunder (including the Annual Caps). Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps), and is required to abstain from voting on the resolutions to approve the aforesaid matters at the SGM.

LETTER FROM THE BOARD

To the best of the knowledge and belief of the Directors, Mr. WONG Ho Lung, Danny and Ms. CHEUNG Irene who have material interests in the Tenancy Agreements, the Agreements and the transactions contemplated thereunder (including the Annual Caps) have abstained from voting on the relevant resolution(s) of the Board to consider and approve the (a) the Tenancy Agreements and the transactions contemplated thereunder and (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps). Also, Ms. WONG Hau Yeung and Dr. CHAN So Kuen are both executive directors of Luk Fook Holdings who have involved in the management of the Luk Fook Group. As such, both of them have abstained from voting on the relevant resolution(s) of the Board to consider and approve the (a) the Tenancy Agreements and the transactions contemplated thereunder and (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps).

Save as disclosed above, none of the Directors has any interest in the resolution(s) of the Board to consider and approve the (a) the Tenancy Agreements and the transactions contemplated thereunder and (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps). or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM or any adjournment thereof (as the case may be), you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit it at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish.

RECOMMENDATIONS

Your attention is drawn to (i) the letter of advice from the Independent Board Committee to the Independent Shareholders on the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder; and (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder.

The Board (including the members of the Independent Board Committee whose opinion is set forth in the "Letter from the Independent Board Committee" in this circular after considering the advice of the Independent Financial Adviser), is of the view that the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder are fair and reasonable, and on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. The Board recommends that the Independent Shareholders to vote in favor of the ordinary resolutions relating thereto at the SGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder of the Company to be eligible to attend and vote at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24 June 2024.

ADDITIONAL INFORMATION

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

FORWARD-LOOKING STATEMENTS

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this circular and any of the matters set out herein are attainable, will actually occur or will be realized or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place any excessive reliance on the information disclosed herein. Any Shareholder or potential investor who is in doubt is advised to seek advice from professional advisors.

Yours faithfully,

By order of the Board

Hong Kong Resources Holdings Company Limited

WONG Ho Lung, Danny

Chairman and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder and the Annual Caps for inclusion in this circular.



HONG KONG RESOURCES HOLDINGS COMPANY LIMITED 香港資源控股有限公司

*(Incorporated in Bermuda with limited liability
and carrying on business in Hong Kong as HKRH China Limited)*

(Stock code: 2882)

13 June 2024

To the Independent Shareholders

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT
OF THE TENANCY AGREEMENTS;
AND
(2) CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF
(A) THE SUPPLY AGREEMENT;
(B) THE PURCHASE AGREEMENT; AND
(C) THE IT SYSTEM AGREEMENT;**

Dear Sir or Madam,

We refer to the circular issued by the Company to its Shareholders dated 13 June 2024 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board to form an independent board committee to consider and advise you as to whether the terms of the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable, and on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, and to recommend as to whether the Independent Shareholders should approve the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements, the transactions contemplated thereunder (including the Annual Caps). Messis Capital has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board, as set out on pages 8 to 36 of the Circular and a letter of advice from Messis Capital, as set out on pages 39 to 82 of the Circular, both of which provide details of the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements, the transactions contemplated thereunder (including the Annual Caps).

Having considered the terms of the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps), the advice and recommendation from Messis Capital and the relevant information contained in the letter from the Board, we are of the opinion that the (i) the terms of the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of each of the (a) Tenancy Agreements and (b) the Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favor of the resolution to be proposed at the SGM to approve the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Agreements, the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,

For and on behalf of
the Independent Board Committee

Mr. SZE Yeung Kuen	Mr. CHAN Raymond	Dr. LAM Ki Wai,	Dr. CHOW Kwoon Ho,
		Lianne	Simon
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Messis Capital Limited which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this Circular.

MESSIS 大有融資

13 June 2024

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN
RESPECT OF
THE TENANCY AGREEMENTS;
AND
(2) CONTINUING CONNECTED TRANSACTIONS IN
RESPECT OF
(A) THE SUPPLY AGREEMENT;
(B) THE PURCHASE AGREEMENT; AND
(C) THE IT SYSTEM AGREEMENT**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the (i) connected transaction (“**Connected Transaction**”) in respect of the Tenancy Agreements; and (ii) continuing connected transactions (“**Continuing Connected Transactions**”) in respect of (a) the Supply Agreement; (b) the Purchase Agreement; and (c) the IT System Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 13 June 2024 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

Reference is made to the announcement dated 8 May 2024 in relation to the Connected Transaction and the Continuing Connected Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Connected Transaction

As the Tenancy Agreements were entered into with the PRC Landlords, Ultra Power and Green Rich, the transactions contemplated under the Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 14 of the Listing Rules. Pursuant to HKFRS 16, the entering into of the Tenancy Agreements will require the Group to recognise the PRC Premises and HK Premises as the right-of-use assets on its balance sheet, thus the entering into of the Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As at the Latest Practicable Date, (i) each of Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is an indirect wholly-owned subsidiary of Luk Fook Holdings; and (ii) Mr. WONG Ho Lung, Danny is an executive director of the Company and CGS and (a) he owns 50% interest in Chongqing Jian-yi; and (b) is one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan; thus each of Chongqing Jian-yi, Chongqing Bo-yuan, Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Continuing Connected Transactions

As (i) Luk Fook Holdings is a substantial shareholder of the Company; (ii) Maxigood is an indirect wholly-owned subsidiary of Luk Fook Holdings; and (iii) Mr. WONG Ho Lung, Danny is an executive director of the Company and CGS and one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan and thus each of Maxigood and Chongqing Bo-yuan is a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest of the Supply Agreement Annual Caps, the Purchase Agreement Annual Caps and the IT System Agreement Annual Caps exceed 5%, the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne and Dr. CHOW Kwoon Ho, Simon, being all the independent nonexecutive Directors, has been formed to advise the Independent Shareholders in respect of the (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder.

We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the (a) the Tenancy Agreements, (b) the Supply Agreement, (c) the Purchase Agreement and (d) the IT Agreement and transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

As at the Latest Practicable Date, we were independent from and not connected with the Group pursuant to Rule 13.84 of the Listing Rules, and we have not acted as an independent financial adviser to the Company's other transactions in the past two years, and accordingly, qualified to give independent advice to the Shareholders regarding the (a) the Tenancy Agreements, (b) the Supply Agreement, (c) the Purchase Agreement and (d) the IT System Agreement and transactions contemplated thereunder of the Company. No arrangement exists whereby affects our independence in relation to our appointment as the Independent Financial Adviser.

This letter contains our advice to the Independent Board Committee and the Independent Shareholders as to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of (a) the Tenancy Agreements, (b) the Supply Agreement, (c) the Purchase Agreement and (d) the IT System Agreement and transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on whether to vote in favour of the resolutions to be proposed for approving the Supplemental Agreement at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINIONS

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Group and/or the Directors and/or the senior management of the Company (the “**Management**”). We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Group and/or the Directors and/or the Management are true and accurate. We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the SGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this 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 adviser and/or the Directors, which have been provided to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable and there are no reasons to doubt the accuracy and reliability of such public information.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed all information and documents which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group and/or the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group or the Luk Fook Holdings and its any other subsidiaries which are related to the Connect Transaction and Continuing Connected Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the terms of the (a) the Tenancy Agreements, (b) the Supply Agreement, (c) the Purchase Agreement and (d) the IT Agreement and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

I. Tenancy Agreements under Connected Transaction

1. Background of and reasons for entering into of the Tenancy Agreements

1.1 Background information of the parties of the Tenancy Agreements

The Company is an investment holding company. The Group is principally engaged in the retail sales and franchising operations for gold and jewellery products in Hong Kong, Macau and Mainland China and the wholesaling and contracting operations of gold and jewellery products in Mainland China.

Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司) is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings.

Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司) is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings.

Luk Fook Commerce (Shenzhen) Co. Ltd.* (六福商業(深圳)有限公司) is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings.

Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司) is a company established in the PRC with limited liability, which is owned as to 50% by Mr. WONG Ho Lung, Danny.

Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶)有限公司) is a company established in the PRC with limited liability and indirectly owned as to 92% by the Wong's family trust, of which Mr. WONG Ho Lung, Danny together with others, are discretionary beneficiaries.

Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司) is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ultra Power Corporation Limited (越能有限公司) is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings.

Green Rich Corporation Limited (富翠有限公司) is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings.

Given (i) each of Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is an indirect wholly-owned subsidiary of Luk Fook Holdings which is a substantial shareholder of the Company; and (ii) Mr. WONG Ho Lung Danny is an executive director of the Company and CGS and (a) he owns 50% interest in Chongqing Jian-yi; and (b) is one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan; each of Chongqing Jian-yi, Chongqing Bo-yuan, Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is a connected person of the Company under Chapter 14A of the Listing Rules.

1.2 Reasons for and benefits of entering into the Tenancy Agreements

1.2.1 In respect of the PRC Tenancy Agreements

According to the "Letter from the Board", the CGS Group has an imminent need to renew the tenancy of the PRC Premises for use as office or seek other premises for continuance of its business. In evaluating the options of renewal of tenancy of the PRC Premises or leasing a new location, it is considered that the PRC Premises is located in an area where the CGS Group has been familiar with. Furthermore, the PRC Premises are furnished with renovation and furniture, which will save renovation and furniture costs for the Group. In relation to a room at Atour Hotel, the Group intended to lease such room at Atour Hotel as accommodation for a secondment staff and it constitutes part of his remuneration package.

We have reviewed the reasons for and benefits of entering into the PRC Tenancy Agreements and are of the view that it is reasonable to keep the PRC offices in the same premises for business operation if the terms of the renewal of Tenancy Agreements are fair and reasonable, on normal terms and in the interests of the Shareholders as a whole given that moving offices may occur extra administrative costs and may leave the impression to current and potential business partners or customers that the CGS is not in stable operation by relocating offices in a sudden. Further, we considered that keeping the same accommodation for a secondment staff enables such staff to pay attention to his work without disturbance for moving the daily necessities and re-take the time to be familiar with the new surrounding amenities.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2.2 In respect of the HK Tenancy Agreements

According to the “Letter from the Board”, the CGS Group has an imminent need to renew the tenancy of the HK Premises or seek other premises for the continuation and expansion of its business. In evaluating the options of renewal of tenancy of the HK Premises or leasing a new location, it is considered that the HK Premises are located in an area where the CGS Group is familiar. Furthermore, the HK Premises are furnished with renovations and furniture, which will save on renovation and furniture costs for the Group. Moreover, as the existing office space is not sufficient for the business development of the Group, the Group is in need of additional office space. The Directors considered that it would benefit the Group to have an office adjacent to the existing office premises so that all resources could be consolidated, enhancing efficiency compared to having geographically dispersed office locations.

We have reviewed the reasons for and benefits of entering into the HK Tenancy Agreements and are of the view that it is reasonable to keep the Hong Kong offices in the same premises for business operation if the terms of the renewal of Tenancy Agreements are fair and reasonable, on normal terms and in the interests of the Shareholders as a whole given that moving offices may occur extra administrative costs and may leave the impression to current and potential business partners or customers that the CGS is not in stable operation by relocating offices in a sudden. Further, with the extra office space adjacent to the existing office premises, the CGS is able to leverage on the current operation and office administrative resource to the newly-added office space without occurring much higher costs as compared to setting the new resources for a newly-leased extra office space.

We considered the entering into of the Tenancy Agreements could enable the Company to enhance its resources-control and cost-control effectiveness through avoiding unnecessary costs for resettling on the new office premises and taking time and resources to identify suitable premises with new landlords. Having considered the above, we concur with the Directors that the rationale of entering into Tenancy Agreements are in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. *The principal terms of the Tenancy Agreements*

2.1 *The table below set out the principal terms of the Tenancy Agreements:*

(1) Tenant: 3D Shenzhen

Date:	8 May 2024 (after trading hours)		
Landlord:	Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司)	Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司)	Luk Fook Commerce (Shenzhen) Co. Ltd.* (六福商業(深圳)有限公司)
PRC Premises:	Units 1701-1706, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	Units 1707-1712, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	A room at Atour Hotel, 26-31/F, Block A, Shuibei Jewellery Headquarters Building, No. 3008 Buxin Road, Dongxiao Street, Luohu District, Shenzhen, the PRC
Lettable area: (sq. m.)	899.8	888.61	52
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027	30 months from 1 January 2025 to 30 June 2027
Usage:	For use as office	For use as office	For use as accommodation for a secondment staff
Monthly rent:	RMB134,970	RMB133,291.5	RMB12,500
Deposit:	RMB269,940 (two-month rent)	RMB266,583 (two-month rent)	RMB12,500 (one-month rent)
Monthly rent for per leased sq.m.:	RMB150	RMB150	Approximately RMB240.4

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(2) Tenant: 3D Chongqing

Date:	8 May 2024 (after trading hours)	
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶) 有限公司)	Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶) 有限公司)
PRC Premises:	Partial unit 1807B, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC	Units 1808-1809, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, the PRC
Lettable area: (sq. m.)	140.45	296.14
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027
Usage:	For use as office	For use as office
Monthly rent	RMB21,067.5	RMB44,421
Deposit	RMB42,135 (two-month rent)	RMB88,842 (two-month rent)
Monthly rent for per leased sq.m.:	RMB150	RMB150

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(3) Tenant: Zun Fu Chongqing

Date:	8 May 2024 (after trading hours)	
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物 業管理(重慶)有限公司)	Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司)
PRC Premises:	Units 1802-1806 & 1807A, Block B, IBC, Buxin St 3008, Luo hu District, Shenzhen, the PRC	Partial area of third floor, No. 60, Liuhe Street, Dongchong Town, Nan sha District, Guangzhou, the PRC
Lettable area: (sq. m.)	761.87	83.4
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027
Usage:	For use as office	For use as office
Monthly rent:	RMB114,280.5	RMB2,085
Management fee:	Nil	RMB1,584.6
Deposit:	RMB228,561 (two-month rent)	Nil
Monthly rent for per leased sq.m.:	RMB150	RMB25
Monthly management fee for per leased sq.m.:	Nil	RMB19

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(4) Tenant: Zhen Fu Beijing

Date: 8 May 2024 (after trading hours)

Landlord: Guangzhou Li Ying Jewellery Co., Ltd.*
(廣州利盈首飾有限公司)

PRC Premises: No. 15, 3F, No. 7 Jianguomennei Street, Dongcheng District, Beijing, the PRC

Lettable area: 449.9
(sq. m.)

Term: 25 months from 1 June 2025 to 30 June 2027

Usage: For use as office

Monthly rent: RMB63,654

Deposit: RMB120,000 (approximately two-month rent)

Monthly rent for Approximately RMB141.5
per leased
sq.m.:

(5) Tenant: 3D-Gold Management Services Limited

Date:	8 May 2024 (after trading hours)	
Landlord:	Ultra Power Corporation Limited (越能有限公司)	Green Rich Corporation Limited (富翠有限公司)
HK Premises	Units 1506-1512, 1515 and 1516, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong	Car parking space no. P322, 3/F, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong
Gross Floor Area:	11,371 sq. ft.	–
Net lettable area: (sq. m.)	676.06 (7,277 sq. ft.)	11.33
Term:	35 months from 1 August 2024 to 30 June 2027 (both dates inclusive)	35 months from 1 August 2024 to 30 June 2027 (both dates inclusive)
Usage:	For use as office	Car parking

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Monthly rent:	HK\$261,533	HK\$1,800
Management and air conditioning fees: (approx.)	HK\$39,581	N/A
Security deposit: (approx.)	HK\$301,114 (one-month rent and one-month management and air conditioning fees)	HK\$1,800 (one-month rent)
Monthly rent for per leased sq. ft. of gross floor area	HK\$23	N/A
Monthly rent for per leased sq.m. of net lettable area:	Approximately HK\$386.8 (approximately HK\$35.94 per sq. ft.)	Approximately HK\$158.9
Management fee for per leased sq.m. of net lettable area:	Approximately HK\$58.5	N/A

2.2 Analysis of the principal terms of the Tenancy Agreements

We have reviewed the historical tenancy agreements for the same premises (if applicable) entered into the CGS Group and the respective counterparties for the Tenancy Agreements. We noted that the principal terms of the Tenancy Agreements were similar with those of the historical tenancy agreements. We are of the view that the Tenancy Agreements, which includes the consideration, the premises to be leased, the duration, the obligations and rights of the tenants and landlords as well as the agreed mechanism to settle the breach of contract by any party, are on normal terms. Given the Tenancy Agreements are mainly for office use, which is crucial to the Group' daily business operation, we considered that entering into the Tenancy Agreement is in the ordinary and usual course of the Group.

(a) Fairness and reasonableness of the rent (and management fees if applicable)

As set out in the "Letter from the Board", the terms under each of the Tenancy Agreements were conducted by the parties on an arm's length basis and each of the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage.

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The “Letter from the Board” also stated that for evaluating the PRC Tenancy Agreements, the Group appraised the rental terms of the PRC Tenancy Agreements against the market rental terms by conducting market research on comparable premises in the local market, including interviewing with local real estate agents, thereby determining the range of fair market rent for the PRC Premises. In establishing the open market rental, the Group took into account (i) the floor area (square meters of 449 to 1,789); (ii) condition (rough or fine finishing); (iii) amenities (with shopping mall and/or car park); (iv) location (near certain suppliers and/or metro stations); and (v) current market trends (market sentiments, consumer price index and/or the local economy condition) to select the appropriate comparable to determine the rent under the PRC Tenancy Agreements. Also, for evaluating the HK Tenancy Agreements, the Group appraised the rental terms of the HK Tenancy Agreements against the market rental terms by conducting market research on comparable premises in the market, including reviewing lease transaction records on websites of real estate agents, thereby determining the range of fair market rent for the HK Premises. In establishing the open market rental, the Group took into account (i) the floor area (square feet of 9,369 to 19,139); (ii) condition (rough or fine finishing); (iii) amenities (with shopping mall and/or car park); (iv) location (near certain suppliers and/or MTR stations); and (v) current market trends (market sentiments, consumer price index and/or the local economy condition) to select the appropriate comparable to determine the rent under the HK Tenancy Agreements.

We have discussed with the Company and considered the selection criteria made by the CGS Group were fair and reasonable, which have considered different important factors according to its own practicable needs for business operation based on its current business scale and the near-future business plans.

In assessing the fairness and reasonableness of the rent payable by the CGS Group under the Tenancy Agreements, we have reviewed the open market rental of the properties of comparable size, location, facilities and usage.

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(1) Leases of premises situated on IBC, Buxin St 3008, Luohu District, Shenzhen (“IBC Leases”)

We have reviewed the materials of the details of comparable rent per month (“**Shenzhen Lease Comparable Rent**”) for the IBC building on the open market which were used during the Group’s approval procedure for reference to determine whether to enter into the tenancy agreements of the IBC Leases, and it is observed that such monthly comparable rent ranged from RMB130 to RMB180 per sq.m..

We have also conducted our independent online search for cross reference purpose via three different websites, on which the real estate agents have access to post the available units for lease in the same building (i.e. the IBC) and observed that among the 25 available leases whose lettable area ranging from 100 sq.m. to 900 sq.m, the current monthly rent of the same office building ranged from RMB90 to RMB220 per sq.m., which covers the range of the Shenzhen Lease Comparable Rent and indicates no material difference was noted between our independent online search results and the Shenzhen Lease Comparable Rent. Hence, we considered the Shenzhen Lease Comparable Rent ranging from RMB130 to RMB180 per sq.m. per month referred by the Group during the approval procedure was valid and reasonable.

Given the monthly rent of RMB150 per sq.m. for the IBC Leases falls within the range from RMB130 to RMB180 under the above-mentioned tenancy agreements where the tenants were (a) 3D Shenzhen, (b) 3D Chongqing, (c) Zun Fu Chongqing, respectively, we considered the monthly rent for IBC Leases are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

(2) Lease of a hotel room on Atour Hotel, No. 3008 Buxin Road, Luohu District, Shenzhen (“Hotel Lease”)

We have noted from the Management that the original rent price for the hotel room was approximately RMB25,000 monthly, and the final lease price of RMB12,500 was the discount offer provided by the Atour Hotel. We have also reviewed a historical lease agreement between the Group and another hotel in similar ranking with Atour Hotel for similar lease purpose in Shenzhen in proximity to Atour Hotel, and it is noted that the final rent with the discount provided by another hotel was also RMB12,500 monthly for a hotel room. Further, having considered the Hotel Lease is adjacent to the IBC Leases, which is convenient for the secondary staff to commute to office of the Group in IBC Leases for work, we considered the rent of the Hotel Lease is fair and reasonable.

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(3) *Lease of premise situated on No. 60 Liuhe Street, Dongchong Town, Nansha District, Guangzhou (“Guangzhou Lease”)*

We have reviewed the materials of the details of comparable rent per month (“**Guangzhou Lease Comparable Rent**”) available on the open market from two other independent landlords, whose properties are in proximity to the Guangzhou Lease within a distance of 2 kilometres, which were used during the Group’s approval procedure for reference to determine whether to enter into the tenancy agreement of the Guangzhou Lease, and it is observed that the Guangzhou Lease Comparable Rent (excluding tax) ranged from RMB30 to RMB45 per sq.m. For the signed monthly rent and management fee per sq.m. of the Guangzhou Lease of RMB25 and RMB19, respectively, the correspondingly amount excluding the applicable tax per month should be approximately RMB22.94 per sq.m. and approximately RMB17.92 per sq.m., in aggregate RMB40.86 per sq.m. for a month, which falls within the range of Guangzhou Lease Comparable Rent.

We have also conducted our independent online search for cross reference purpose via three different websites, on which the real estate agents or landlords have access to post the available factories (including office premises) for lease in the same town and observed that among the 7 available leases which have basic renovation and traffic facilities, the current monthly rent of the properties for industrial use in the Dongchong Town, Nansha District, Guangzhou, ranged from RMB8.1 to RMB24.9, while the monthly rent of the Guangzhou Lease of RMB25 per sq.m. was slightly higher. We were informed by the Group that the e-commerce department of the Luk Fook Group was situated in the same industrial park as the Guangzhou Lease, which may enable the Group to leverage on the existing resources or logistic assistance from the Luk Fook Group in the near future considering the business expansion plan which is implementing by the Group. Considering such factor provides the opportunity to the Group to enter into strategic cooperation with the Luk Fook Group, we considered the slight difference of RMB0.1 per sq.m. between the monthly rent of RMB25 per sq.m. and the maximum amount of the range of Guangzhou Lease Comparable Rent was trivial and acceptable.

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For the monthly management fee of RMB 19 per sq.m. which we did not locate any relevant search results online, we have further discussed with the Management and were informed that the Luk Fook Group as the landlord of the whole industrial park situated on No. 60 Liuhe Street, Dongchong Town, Nansha District, Guangzhou, charged the monthly management fee based on (i) the management cost arising from the services provided to the tenants, including but not limited to security facilities and maintenance; and (ii) the total leased areas by different tenants. We considered such calculation was rational and no less favourable to the Group than those charged to other tenants by the Luk Fook Group, which was fair and reasonable.

The Group also informed us that Luk Fook Group has provided all the office furniture and has newly renovated the leased areas, which is more attractive to the tenants such as the Group who wishes to provide a more comfortable working environment to the employees. The Management also considered the traffic facilities of the Guangzhou Lease was one of the favouring factors for its employees. In such context, we considered entering into the tenancy agreement for Guangzhou Lease was fair and reasonable, in the ordinary and usual course of the Group, and in the interests of the Group and Shareholders as a whole.

(4) *Lease of premise situated on No. 7 Jianguomennei Street, Dongcheng District, Beijing (“Beijing Lease”)*

We have reviewed the materials of the details of comparable rent (“**Beijing Lease Comparable Rent**”) available on the open market of the properties in proximity to the Beijing Lease, which was used during the Group’s approval procedure for reference to determine whether to enter into the tenancy agreement of the Beijing Lease, and it is observed that the monthly comparable rent ranged from RMB150 to RMB300 per sq.m.. Given the monthly rent for the Beijing Lease of RMB 141.5 per sq.m. was lower than the minimum amount of the monthly comparable rent, the monthly rent of the Beijing Lease was more favourable than the Beijing Lease Comparable Rent to the CGS Group and its Shareholders as a whole.

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We have also conducted our independent online search via three different websites, on which the real estate agents or landlords have access to post the available office units for lease in the same building for cross reference purpose and observed that among the 15 available leases, the current monthly rent of the same office building ranged from RMB 90 to RMB240 per sq.m., which the monthly rent of the Beijing Lease falls into. Though there was difference between the Beijing Lease Comparable Rent and our online search results, given the signed monthly rent of the Beijing Lease falls into the range of our online search results, we considered that the monthly rent of for Beijing Lease of RMB141.5 per sq.m. is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(5) *Lease of premise and carpark situated on Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong (“Hong Kong Office Lease and Hong Kong CarPark Lease”)*

For the units 1506-1512, units 1515-1516 leased, we have reviewed the materials of the details of comparable rent per month (“**Hong Kong Office Comparable Rent**”) for the same building on the open market which was used during the Group’s approval procedure for reference to determine whether to enter into the tenancy agreement of the Hong Kong Office Lease, and it is observed that for the office premise, such Hong Kong Office Comparable Rent ranged from HK\$31.66 to HK\$39.07 per square foot of net lettable area with the average price of approximately HK\$37.37 per square foot of net lettable area. Given the monthly rent of Hong Kong Office Lease was approximately HK\$35.94 per square foot of net lettable area which falls into the range of the Hong Kong Office Comparable Rent and was lower than the average amount of the Hong Kong Office Comparable Rent, the monthly rent of HK\$35.94 per square foot of net lettable area was fair and reasonable.

We have also conducted independent online search for cross reference purpose via a website of a leading real estate agent in Hong Kong and observed that among the five lease transactions of the unit(s) on the same building in year 2024, the current monthly rent of ranged from HK\$15 to HK\$26 per square foot. Since the monthly rent for the Hong Kong Office Lease of HK\$23 per square foot of gross floor area (which was calculated by the monthly rent dividing by the total gross floor area of the Hong Kong Office Lease) falls within the range from our research results, we considered the Group’s reference on Hong Kong Office Lease during the approval procedure was valid and reasonable.

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We also understood that the management fees per square foot for the office premise is fixed to all tenants on the same building with the same landlord according to the Company, which is no less favourable to the Group than to the independent third parties.

Thus, we considered (a) the monthly rent of HK\$35.94 per square foot of net lettable area, which falls within the range from HK\$31.66 to HK\$39.07 per square foot and lower than the average amount of the Hong Kong Office Comparable Rent; and (b) the fixed management fees, which was set by the landlord for the Hong Kong Leases are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

For the Hong Kong Carpark Lease, we have reviewed the reference used by the Group in the approval procedure to determine whether to enter into the tenancy agreement of the Hong Kong Carpark Lease, and it was noted that the latest lease transaction records for a carpark of Metropole Square were in March 2023 on open market, and we noted that the rent of such latest lease transaction records were HK\$3,900.

We have conducted our independent online search via a website which the real estate agent and landlords have access to directly post the available carparks for lease and found out the monthly rent of four carparks near the Hong Kong Carpark Lease ranged from HK\$2,000 to HK\$2,400 per month. We are of the view that the lower the rent, the greater the benefit is to the tenant, and therefore the rent payable under Hong Kong Carpark Lease of approximately HK\$1,800 is fair and reasonable and in the interests of the Company and Shareholders as a whole.

(b) Fairness and reasonableness of the duration of Tenancy Agreements

We have reviewed the duration of the Tenancy Agreements and it is observed that the duration of tenancy agreements ranged from 25 months to 36 months. We considered the two-year to three year-period for a lease provides certainty and stability for the business operation of the Group which enables the Group to place more focus on the business operation and business enhancement parts. Also, such duration provides the Group flexibility to change leases if needed after the lease periods expired.

After the assessment of the reasons and benefits for entering into the Tenancy Agreement and the analysis of the terms of the Tenancy Agreements, we concurred with the view of the Directors (excluding the independent non-executive Directors) that the Tenancy Agreements were entered into under normal commercial terms at comparable market rents and the transaction thereunder were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and the terms of the transaction were fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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II. Continuing Connected Transaction

1. Financial information of the Group

The financial information of the Group for the year ended 30 June 2022 and 2023 respectively are extracted from the annual report of the Group for the year ended 30 June 2023 (“**2023 Annual Report**”). The financial information of the Group for the six months ended 31 December 2022 and 2023 respectively are extracted from the interim report of the Group for the six months ended 31 December 2023 (“**2024 Interim Report**”) as below:

- (1) Consolidated Financial Information of the Company for the year ended 30 June 2023

	For the year ended 30 June	
	2023	2022
	(HK\$ million)	(HK\$ million)
Revenue	804.3	902.0
- Retail sales of goods	537.2	658.2
- Sales of E-commerce goods	55.1	21.5
- Franchising and licensing income	26.2	38.2
- New media marketing services	183.8	183.7
- Cloud computer solution services	2.0	0.4
Gross profit	171.6	196.2
Selling expenses	(177.5)	(197.4)
General and administrative expenses	(72.6)	(76.1)
Finance costs	(79.0)	(42.3)
Loss for the year	(155.8)	(116.8)
Loss for the year attributable to owners of the Company	(89.7)	(78.9)

The revenue of the Group for the year ended 30 June 2023 (“**FY2023**”) amounted to approximately HK\$804.3 million, representing a decrease of approximately 10.8% as compared with that of approximately HK\$902.0 million for the year ended 30 June 2022 (“**FY2022**”).

The revenue generated from the gold and jewellery retail and franchising business in Mainland China of approximately HK\$530.5 million accounted for approximately 66.0% of the total revenue for FY2023, representing a decrease of approximately 17.9% as compared with that of approximately HK\$646.5 million which represented 71.7% of the total revenue of the Group generated from the same segment for FY2022.

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At the same period, the revenue generated from the gold and jewellery retail and franchising business in Hong Kong and Macau of approximately HK\$88.0 million accounted for approximately 10.9% for FY2023, representing an increase of approximately 23.2% as compared with that of approximately HK\$71.4 million which represented 7.9% of the total revenue of the Group generated from the same segment for FY2022.

The New Media Marketing Business contributed approximately HK\$183.8 million which accounted for approximately 22.9% of the total revenue of the Group for FY2023, representing an increase of approximately 0.1% as compared with that of approximately HK\$183.7 million representing approximately 20.4% of the total revenue of the Group generated from the same segment for FY2022.

The decrease in the total revenue of the Group from FY2022 to FY2023 was mainly due to the decrease in retail and franchising revenue as there were resurgence of COVID-19 infected cases causing intermittent suspension of shops in various regions of Mainland China.

The gross profit of the Group decreased from approximately HK\$196.2 million for FY2022 to approximately HK\$171.6 million for FY2023, representing a decrease of approximately 12.5%, the decrease of which was generally in line with the decrease in revenue for the same period.

The loss attributable to owners of the Company was approximately HK\$89.7 million for FY2023, representing an increase from that of approximately HK\$78.9 million for FY2022 by approximately HK\$10.8 million, which was primarily attributable to (i) the increase in finance cost by approximately HK\$36.8 million, mainly resulting from the increase in bank borrowings and interest rates; (ii) the abovementioned decrease in gross profit by approximately HK\$24.6 million for FY2023; and (iii) decrease in income tax credit by approximately HK\$10.3 million, and partially offset by (i) the increase in loss attributable to non-controlling interests by approximately HK\$28.1 million, which was mainly related to the loss of the gold and jewellery retail business where the operating entities are non-wholly owned subsidiaries of the Company; and (ii) the decrease in selling expenses by approximately HK\$19.8 million representing a decrease of approximately 10.0% from FY2022 to FY2023, which was generally in line with the decrease in revenue by approximately 10.8% as aforementioned.

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	As at 30 June 2023	As at 30 June 2022
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Total Assets	1,780	1,786
Total Liabilities	2,151	1,965
Equity attributable to owners of the Group	(191.7)	(80.2)
Non-controlling interest	(179.0)	(98.1)

The total assets of the Group were relatively stable of approximately HK\$1,780 million as at 30 June 2023 in comparison to approximately HK\$1,786 million as at 30 June 2022, with the non-current assets of approximately HK\$222 million and HK\$224 million as at 30 June 2022 and 2023 respectively and the current assets of approximately HK\$1,564 million and HK\$1,556 million as at 30 June 2022 and 2023, respectively.

The total liabilities of the Group increased from approximately HK\$1,965 million as at 30 June 2022 to approximately HK\$2,151 million as at 30 June 2023, which was primarily due to the increase in the current liabilities, mainly resulting from the (i) increase in trade and other payables, accruals and deposits received; (ii) increase in bank and other borrowings; and (iii) increase in lease liabilities.

- (2) Consolidated Financial Information of the Company for the six months ended 31 December 2023

	For the six months ended 31 December	
	2023	2022
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
<u>Continuing operations</u>		
Revenue	251.8	293.4
– Retail sales of goods	211.5	259.6
– Sales of E-commerce goods	30.7	21.8
	Categorised under discontinued operation	Categorised under discontinued operation
– New media marketing services	9.5	12.0
– Franchising and licensing income	77.5	68.7
Gross profit	77.5	68.7
Selling expenses	(83.7)	(87.5)

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	For the six months ended 31	
	December	
	2023	2022
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
General and administrative expenses	(30.4)	(32.4)
Finance costs	(60.4)	(33.8)
Loss for the period from Continuing operations	(90.8)	(86.7)
Loss for the year attributable to owners of the Company from Continuing operations	(48.7)	(47.9)
 <i>Discontinued operation</i>		
Revenue from discontinued operation	0.2	151.4
– New Media marketing services	0.2	150.4
– Cloud computer solution services	–	1.0
 (Loss)/profit for the period from Discontinued operation	 (7.7)	 2.6
Loss for the year attributable to owners of the Company from Discontinued operation	(5.6)	(0.1)
 Loss for the period	 (98.5)	 (84.0)
Loss for the period attributable to owners of the Company	(54.2)	(48.0)

The Group's total revenue from the continuing operations for the six months ended 31 December 2023 was approximately HK\$251.8 million, representing a decrease of 14.2% from approximately HK\$293.4 million from the continuing operations, which was primarily due to the closure of non-performing stores.

Revenue generated from retailing and franchising of gold and jewellery products accounted for 100% of total revenue from the continuing operations of the Group for the six months ended 31 December 2023. The retail revenue from Mainland China decreased by 14% to approximately HK\$204 million for the six months ended 31 December 2023 as compared to approximately HK\$237 million for the six months ended 31 December 2022. The Group's retail revenue from Hong Kong market was approximately HK\$38 million for the six months ended 31 December 2023, representing a decrease of 15% from approximately HK\$44 million for the six months ended 31 December 2022.

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The Group recorded a decline in overall same-store growth of approximately 7% for the six months ended 31 December 2023 as compared to a decline of approximately 22% of overall same-store growth for the six months ended 31 December 2022. The same-store growth in Mainland China recorded a decline of approximately 9% for the six months ended 31 December 2023 as compared to approximately 28% for the six months ended 31 December 2022, while Hong Kong recorded a growth of 4% for the six months ended 31 December 2023 in comparison with approximately 10% for the six months ended 31 December 2022.

The loss for the period of the Group increased from approximately HK\$84.0 million for the six months ended 31 December 2022 to approximately HK\$98.5 million for the six months ended 31 December 2023, representing an increase of approximately 17.3%, which was mainly due to the increase in the finance costs resulting from the interests on bank and other borrowings increased from approximately HK\$31.5 million for the six months ended 31 December 2022 to approximately HK\$57.5 million for the six months ended 31 December 2023 representing an increase of approximately 82.5%.

	As at 31 December 2023 <i>(HK\$ million)</i>	As at 30 June 2023 <i>(HK\$ million)</i>
Total Assets	1,816	1,780
Total Liabilities	2,275	2,151
Equity attributable to owners of the Group	(238.3)	(191.7)
Non-controlling interest	(220.7)	(179.0)

The total assets of the Group increased from approximately HK\$1.78 million as at 30 June 2023 to approximately HK\$1.82 million as at 31 December 2023, which was mainly due to the increase in non-current assets from approximately HK\$0.22 million as at 30 June 2023 to approximately HK\$0.23 million as at 31 December 2023 mainly resulting from the increase in right-of-use assets.

The total liabilities of the Group increased from approximately HK\$2.15 million as at 30 June 2023 to approximately HK\$2.28 million as at 31 December 2023, which was primarily due to the increase in the current liabilities, mainly resulting from the (i) increase in trade and other payables, accruals and deposits received; and (ii) increase in bank and other borrowings.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. *The terms and annual caps of the agreements under Continuing Connected Transactions*

(A) *The Supply Agreement*

Terms of the Supply Agreement

The principal terms of the Supply Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Purchaser:	Maxigood Enterprises Limited (萬利佳企業有限公司)
Supplier:	China Gold Silver Group Company Limited (中國金銀集團有限公司)
Term:	1 July 2024 to 30 June 2027, provided that either party may terminate the Supply Agreement without penalty by giving the other party at least three months' written notice of termination, unless otherwise specified in the terms thereof.
Sale and purchase of goods:	CGS (for itself and as an agent for and on behalf of each of its subsidiaries) shall supply to Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) and Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) shall purchase from CGS (for itself and as an agent for and on behalf of each of its subsidiaries), raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items, subject to the terms and conditions of the Supply Agreement.

Each transaction shall be effected by the relevant purchase order to be entered into between CGS and Maxigood.

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Pricing basis: The pricing of the transactions contemplated under the Supply Agreement will be determined on the following basis:

- (a) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of CGS which is equivalent or comparable to those prices offered to third parties independent of CGS for similar goods and having regard to the quantity and other conditions of the sale; and
- (b) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of Maxigood which is equivalent or comparable to those prices obtained by Maxigood from third parties independent of Maxigood for similar goods and having regard to the quantity and other conditions of the purchase.

Prior to effecting the relevant sales order, CGS will send request for quotation to a minimum of two independent third parties who might be interested in purchasing the relevant product. In determining the number of request for quotation to be sent, CGS will take into account (i) the availability of purchasers; and (ii) the importance of securing the best possible price. To ensure comparability, the request for quotation will specify the validity period of the quotation. The final determined price shall be approved by CGS's finance, procurement and operations departments. If CGS obtains more competitive price and terms for the relevant product from an independent third party, CGS will negotiate with Maxigood for comparable price and terms of the relevant product, and has full discretion to decide whether to engage Maxigood before effecting the sales order.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Payment term: Maxigood shall pay to CGS within 30 business days after the date of the relevant invoice issued by CGS to Maxigood.

We have reviewed the executed version of the supply agreement entered into between the Maxigood and CGS dated 15 November 2021 (“**Historical Supply Agreement**”) and noted that the Supply Agreement has the similar principal terms as those under the Historical Supply Agreement. We are of the view that such Supply Agreement is a framework agreement containing normal commercial terms, which stipulate (i) the procedure of provision of supply of goods from the CGS Group to the Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) (“**LF Group Members**”); (ii) the agreed mechanism for price determination; (iii) the annual caps for the prospective transactions which shall be categorized under the Supply Agreement; and (iv) the suppliers’ limitation of liability restricted to merely the list price of the goods to the claims related.

It is also observed from the pricing basis as prescribed that such pricing policy would enable the CGS Group to obtain a sales price for its supply of goods to the LF Group Members which are not less favourable to the CGS Group than the purchase prices of other independent third parties customers to the CGS Group, which is fair and reasonable and in the interests of the Shareholders as a whole.

We have reviewed two definitive supply orders (“**Comparable Supply Order**”) which were entered into between the independent third party wholesale buyers and the CGS Group and two definitive purchase orders under the Historical Supply Agreement (“**Historical Supply Order**”), with the selection criteria include: (i) the date of the Comparable Supply Order was no more than 6 months apart from the date of the Historical Purchase Order; (ii) the categories of goods as wholesaled to the independent third party buyers were similar to those as wholesaled to the LF Group Members; (iii) the texture and materials of the goods as wholesaled to the independent third party wholesale buyers were similar to those as wholesaled to the LF Group Members.

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We have discussed with the Management and noted that the two sets of comparable supply orders (i.e. two Comparable Supply Orders and two Historical Supply Orders) which were located have covered the types of goods that the CGS both wholesaled to the independent third party wholesale buyers and LF Group Members during the effective period of Historical Supply Agreement. Considering the Company's major revenue was generated from the gold and jewellery retail business, we considered it is reasonable to conclude that such two sets of comparable supply orders can be a representative exhaustive list.

After the comparison of the two Comparable Supply Orders and two Historical Supply Orders, we observed that for the similar categories of goods which were made of similar texture and materials of the goods from both the independent third party wholesale buyers and the LF Group Members for a similar period, the unit price rate sold to the LF Group Members from the CGS Group was no less favourable to the CGS Group than those sold to the independent third party wholesale buyers from the CGS Group, which were in line with the CGS Group's pricing basis principle, and were considered to be fair and reasonable.

Further, we noted that according to the pricing determination principle, the finance, procurement and operations departments will approve the final sales price to LF Group members before entering into the specific contracts. We have reviewed two approval record for the sales orders which was traded under the Historical Supply Agreement which showed different departments approved the sales orders before selling to LF Group Members. We are of the view that such internal control procedure leveraging on the specific knowledge and industry experience from the different departments helps the Group to protect the interests of the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Annual caps of the Supply Agreement

Historical figures: Set out below are the aggregate historical amounts of the consideration received by the CGS Group for the transactions pursuant to the previous supply agreement for the two years ended 30 June 2023 and the nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount <i>(HK\$'000)</i> <i>(approx.)</i>	382	1,495	–
Historical Annual Caps <i>(HK\$'000)</i>	50,000	60,000	70,000
Utilisation Rate <i>(%)</i>	0.76	2.49	–

Annual caps: With reference to estimated growth of the CGS Group's business and the estimated level of CGS Group's aged products inventory (estimated based on the level of aged products inventory currently held by the CGS Group), the parties to the Supply Agreement had agreed on the following annual caps for the sale and purchase of goods (the "Supply Agreement Annual Caps"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount <i>(HK\$'000)</i> <i>(approx.)</i>	33,000	33,000	33,000

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We noted that the utilisation rate which was calculated based on dividing the historical transaction amount by the historical annual caps for the year ended 30 June 2022, the year ended 30 June 2023 and the nine months ended 31 March 2024 were approximately 0.76%, 2.49% and nil, respectively. We noted that the annual caps for the Supply Agreement were set as HK\$33 million, HK\$33 million and HK\$33 million for the year ending 30 June 2025, 2026 and 2027, respectively.

We have discussed with the Company for the basis of the annual caps under the Supply Agreement and noted that the Directors take the view that the CGS Group has the full discretion to decide which purchaser(s) to sell its aged products inventory to, and the annual caps will allow the CGS Group to have a flexibility to sell the accumulated products inventory to the LF Group Members, in the event the LF Group Members provide the best offer.

We have reviewed the calculation workings of the annual caps as of 8 May 2024 and noted that the proposed Supply Agreement Annual Caps were calculated based on the aggregate amount of over five years aged products inventory that the Group wishes to sell to other parties (including the LF Group Members and independent third parties), which was no more than HK\$33 million for each of the three years ending 30 June 2027. Having regard to the majority of the Group's revenue was generated from the gold and jewellery retail business, we considered that it is fair and reasonable for the Group to plan to sell the over five years aged products inventory for cost-control reason.

We considered such calculation was conducted on valid grounds and a maximum amount to obtain for annual caps under the Supply Agreement enables the Group to have flexibility for its sales discretion if the Group thinks fit, which is fair and reasonable and in the ordinary and usual course of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(B) The Purchase Agreement

Terms of the Purchase Agreement

The principal terms of the Purchase Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Purchaser:	China Gold Silver Group Company Limited (中國金銀集團有限公司)
Supplier:	Maxigood Enterprises Limited (萬利佳企業有限公司)
Term:	1 July 2024 to 30 June 2027, provided that either party may terminate the Purchase Agreement without penalty by giving the other party at least three months' written notice of termination, unless otherwise specified in the terms thereof.
Sale and purchase of goods:	CGS (for itself and as an agent for and on behalf of each of its subsidiaries) shall purchase from Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) and Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) shall supply to CGS (for itself and as an agent for and on behalf of each of its subsidiaries), raw materials and/or finished goods in respect of platinum and gold jewellery and gold ornaments, gem-set jewellery, jadeites, gemstones and other accessory items, subject to the terms and conditions of the Purchase Agreement.

Each transaction shall be effected by the relevant purchase order to be entered into between CGS and Maxigood.

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Pricing basis: The pricing of the transactions contemplated under the Purchase Agreement will be determined on the following basis:

- (a) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of Maxigood which is equivalent or comparable to those prices offered to third parties independent of Maxigood for similar goods and having regard to the quantity and other conditions of the sale; and
- (b) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of CGS which is equivalent or comparable to those prices obtained by CGS from third parties independent of CGS for similar goods and having regard to the quantity and other conditions of the purchase.

Prior to effecting the relevant purchase order, CGS will (i) obtain minimum of two price quotations or price records from independent third parties who offer the comparable product in terms of quality and specification; and (ii) to the extent possible, obtain market quotations of comparable products from official websites.

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In determining the number of quotations to be obtained, CGS will take into account (i) the craftsmanship of the product being procured; (ii) the availability of suppliers; and (iii) the importance of securing the best possible price. To ensure the price data is current and accurately reflects recent market conditions, the period of reference for the aforesaid price quotations will be as recent as possible within the preceding zero to three months, subject to a longer reference period of six months in the case CGS deems it more appropriate to account for seasonal fluctuations or to identify long-term pricing trends. The period of reference will be clearly specified on the requests for price quotations to ensure all quotations are based on the same period of reference. In addition to price quotations, the Group will also make reference to: (i) in the case of the price of gold raw materials, Heraeus Hong Kong, a leading and reputable company in the global precious metals business, with its operations spanning the value chains of all eight types of precious metals; and (ii) in the case of the price of diamond raw materials, Rapaport Diamond Prices, the international benchmark for establishing diamond prices in major markets.

The final determined price will take into account the real-time market data collected by the Group's procurement department based on the above methods (which are updated on a weekly, and to the extent possible, a daily basis) and the uniqueness and craftsmanship of the product which shall be then approved by CGS's finance, procurement and operations departments. If CGS obtains more reasonable price and terms for the relevant product from an independent third party, CGS will negotiate with Maxigood for comparable price and terms of the relevant product, and has full discretion to decide whether to engage Maxigood before effecting the purchase order.

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Payment term: CGS shall pay to Maxigood within 30 business days after the date of the relevant invoice issued by Maxigood to CGS.

We have reviewed the executed version of the purchase agreement entered into between the Maxigood and CGS dated 15 November 2021 (“**Historical Purchase Agreement**”) and noted that the Purchase Agreement has the similar principal terms as those under the Historical Purchase Agreement. We are of the view that such Purchase Agreement is a framework agreement containing normal commercial terms, which stipulate (i) the procedure of provision of supply of goods from the LF Group Members to the CGS Group; (ii) the agreed mechanism for price determination; (iii) the annual caps for the prospective transactions which shall be categorized under the Purchase Agreement; and (iv) the suppliers’ limitation of liability restricted to merely the list price of the goods to the claims related.

It is also observed from the pricing basis as prescribed that such pricing policy would enable the CGS Group to obtain a quotation for its procurement of goods from the LF Group Members which are not less favourable to the CGS Group than the quotations from other independent third parties sellers to the CGS Group, which is fair and reasonable and in the interests of the Shareholders as a whole. Further, we noted that according to the pricing determination principle, the finance, procurement and operations departments will approve the procurement price to LF Group members before entering into the specific contracts.

We have reviewed 10 definitive purchase orders (“**Comparable Purchase Order**”) which were entered into between the independent third party suppliers and the CGS Group and 10 definitive purchase orders under the Historical Purchase Agreement (“**Historical Purchase Order**”), with the selection criteria include: (i) the delivery date of the Comparable Purchase Order was no more than 30 days apart from the delivery date of the Historical Purchase Order; (ii) the categories of goods as procured from the independent third party suppliers were similar to those as procured from the LF Group Members; (iii) the texture and materials of the goods as procured from the independent third party sellers were similar to those as procured from the LF Group Members.

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We have discussed with the Management and noted that the 10 sets of comparable purchase orders (i.e. 10 Comparable Purchase Orders and 10 Historical Purchase Orders) which were located have covered the types of goods that the CGS both purchase from the independent third party sellers and LF Group Members during the effective period of Historical Purchase Agreement. Hence, it is reasonable to conclude that such 10 sets of comparable purchase orders can be a representative exhaustive list.

After the comparison of the 10 Comparable Purchase Orders and 10 Historical Purchase Orders, we observed that for the similar categories of goods which were made of similar texture and materials of the goods from both the independent third party sellers and the LF Group Members for a similar period, the unit price rate charged by the LF Group Members to the CGS Group was no more favourable than those charged by the independent third party sellers to the CGS Group, which were in line with the CGS Group's pricing basis principle, and were considered to be fair and reasonable.

We have reviewed the 10 approval record of the Historical Purchase Orders and noted the different departments had approved such Historical Purchase Orders before the procurement from LF Group Members. We are of the view that such internal control procedure leveraging on the specific knowledge and industry experience from the different departments helps the Group to protect the interests of the Shareholders as a whole.

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Annual caps of the Purchase Agreement

Historical figures: Set out below are the aggregate historical amounts of the consideration paid by the CGS Group for the transactions pursuant to the previous purchase agreement for the two years ended 30 June 2023 and the nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount <i>(HK\$'000)</i> <i>(approx.)</i>	3,902	3,102	52,565
Historical Annual Caps <i>(HK\$'000)</i>	50,000	60,000	70,000
Utilisation Rate <i>(%)</i>	7.8	5.1	75.1

Annual caps: With reference to the historical transaction amounts and the estimated growth of the CGS Group's business, the parties to the Purchase Agreement had agreed on the following annual caps for the sale and purchase of goods (the "**Purchase Agreement Annual Caps**"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount <i>(HK\$'000)</i> <i>(approx.)</i>	210,000	270,000	340,000

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We noted that the utilisation rate which was calculated based on dividing the historical transaction amount by the historical annual caps for the year ended 30 June 2022, the year ended 30 June 2023 and the nine months ended 31 March 2024 were approximately 7.8%, 5.1% and 75.1%, respectively. We noted that the annual caps for the Purchase Agreement were set as HK\$210 million, HK\$270 million and HK\$340 million for the year ending 30 June 2025, 2026 and 2027, respectively.

We have discussed with the Company for the basis of the annual caps under the Purchase Agreement and noted that the Purchase Agreement Annual Caps were determined with reference to the ratio of actual purchases made by the CGS Group from the Luk Fook Group to the total purchases made by the CGS Group for the recent interim period of the current financial year 2023/24, which had increased significantly after the announcement of the possible acquisition of majority stake in the Group by the Luk Fook Group in July 2023 (the “**Acquisition**”).

We have reviewed the calculation workings of the annual caps as of 8 May 2024 and noted that the proposed Purchase Agreement Annual Caps were calculated based on the assumption that: (i) the CGS Group’s projected revenue growth after the Acquisition, taking into account of leveraging on the resources from the LF Group Members; (ii) the CGS Group is projected to purchase the same ratio of approximately 15% of total revenue for the three years ending 30 June 2027 as same as the one for past seven months from July 2023 to January 2024, given the CGS is of the view that such purchase ratio is more relevant to the CGS Group’s business operation after the announcement of the Acquisition.

We have assessed the grounds of the calculation to arrive the Purchase Agreement Annual Caps. First, it is noted from the “Letter from the Board” that subsequent to the completion of the Acquisition in January 2024, the business plans and strategies for the future business development of the CGS Group have been formulated continuously and gradually by the newly appointed Directors. It is anticipated that the CGS Group could achieve a business turnaround by adopting a proactive network expansion approach combined with other strategies. In such context, we considered the CGS Group’s revenue growth would be benefited from the resources including the network expansion and customer base expansion from the Luk Fook Group, which is crucial for the CGS Group’s gold and jewellery retail business. Second, it was noted from the Management that as at 31 December 2023, the number of self-operated and licensee points-of-sale of the CGS Group decreased to a total of 222, which is a scale much less than optimal from operational-efficiency perspective. In order to achieve operational-efficiency, the Group plans to expand from the number of self-operated and licensee points-of-sale as at 31 December 2023 from 222 to a total number of

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around 400 by June 2026, which is the scale of operation previously achieved by the CGS Group before Covid-19 pandemic. Third, having regard to the majority of the CGS Group's revenue was generated from the gold and jewellery retail business, we considered that it is fair and reasonable for the CGS Group to estimate the similar purchase ratio of business scale from the stable cooperated qualified suppliers of LF Group Members based on the latest available ratio for the period after the announcement of Acquisition.

Hence, the calculation was conducted on valid grounds as analysed above, which is fair and reasonable and in the ordinary and usual course of the Group.

(C) *The IT System Agreement*

Terms of the IT System Agreement

Date:	8 May 2024 (after trading hours)
Parties:	(1) Luk Fook Holdings (International) Limited (六福集團(國際)有限公司) (2) China Gold Silver Group Company Limited (中國金銀集團有限公司)
Term:	1 July 2024 to 30 June 2027, provided that either party may terminate the IT System Agreement without penalty by giving the other party at least three months' written notice of termination, unless otherwise specified in the terms thereof.
Scope of transactions:	The CGS Group may from time to time purchase information technology system services from the Luk Fook Group, which shall include (i) licensing of software, (ii) maintenance services, (iii) system and software implementation and customization, (iv) IT infrastructure and network, (v) technical support services and etc. in relation to business process & backend support applications and operating systems.

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Pursuant to the IT System Agreement, any entity within the Luk Fook Group may enter into a separate service request, confirmatory document, or other definitive agreement (each a “**Definitive Agreement**”) with any entity within the Group, provided that nothing in the Definitive Agreement(s) may contravene the terms and conditions of the IT System Agreement.

Pricing policy:

The CGS Group shall pay service fees to the Luk Fook Group for the information technology services based on the pricing of each specific service as agreed by both parties. The fees shall be determined with reference to the prevailing price of similar services in the open market, as well as the development costs, operating costs, nature and scale of the relevant information technology systems or projects, with markups of no more than 15%, subject to mutual negotiation and corresponding adjustments in line with the applicable market practice, to ensure that the price is no less favourable to the CGS Group than the price offered by independent third-party suppliers for similar services and that the price is determined after arm’s length negotiation between the parties on normal commercial terms.

We have reviewed the executed version of the IT System Agreement and are of the view that such IT System Agreement is a framework agreement containing normal commercial terms, which stipulate (i) the specification of the relevant software and related services to be supplied from the LF Group Members to the Group; (ii) the agreed mechanism for price determination; (iii) the annual caps for the prospective transactions which shall be categorized under the IT System Agreement; and (iv) the liabilities to be placed on the party who breaches the contract.

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It is also observed from the pricing basis as prescribed that such pricing policy would enable the Group to obtain a quotation for its procurement of software and related services from the LF Group Members which are not less favourable to the Group than the quotations from other independent third parties IT services providers to the Group, which is fair and reasonable and in the interests of the Shareholders as a whole.

Further, we noted that according to the pricing determination principle, the CGS Group shall pay service fees to the LF Group Members for the information technology services based on the pricing of each specific service as agreed by both parties. The fees shall be determined with reference to the prevailing price of similar services in the open market, as well as the development costs, operating costs, nature and scale of the relevant information technology systems or projects, with markups of no more than 15%, subject to mutual negotiation and corresponding adjustments in line with the applicable market practice, to ensure that the price is no less favourable to the CGS Group than the price offered by independent third-party suppliers for similar services and that the price is determined after arm's length negotiation between the parties on normal commercial terms.

We considered that continuing to use the IT services from the LF Group Members after the Acquisition enables the CGS Group to retain the stability of keeping historical operation records and protect its confidential information better if the LF Group Members are able to provide the offer price to the CGS Group which are no less favourable to the CGS Group than those provided from the independent third parties providers to the CGS Group. Also, the comparison of prevailing price of similar services in the open market is fair and reasonable and in the interests of the Shareholders as a whole. A markups of no more than 15% enables the CGS Group to retain its discretion to decide whether to engage the LF Group Members for provision of such IT system services after considering other related factors.

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Annual Caps of the IT System Agreement

Historical figures: Set out below are the aggregate historical amounts of the consideration paid by the CGS Group for the transactions pursuant to the previous information technology system service agreement for the two years ended 30 June 2023 and the nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount	283	174	134
	<i>(HK\$'000)</i>		
	<i>(approx.)</i>		

Annual caps: With reference to the historical transaction amount and the estimated growth of the Group's business, the parties to the IT System Agreement had agreed on the following annual caps for the information technology service (the "IT System Agreement Annual Caps"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount	5,000	12,000	5,000
	<i>(HK\$'000)</i>		
	<i>(approx.)</i>		

We noted that the annual caps for the IT System Agreement were set as HK\$5 million, HK\$12 million and HK\$5 million for the year ending 30 June 2025, 2026 and 2027, respectively.

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We noted from the Management that the IT System Agreement Annual Caps were determined with reference to the following factors:

- (a) historical transaction amounts paid by the CGS Group to the Luk Fook Group in relation to the existing systems;
- (b) the CGS Group's increasing demand for information technology services and substantial implementation of certain new systems in line with the anticipated growth of the CGS Group's retail and franchising business, which corresponds with the Group's latest proactive network expansion strategy;
- (c) the current price for such anticipated new systems and customization services required by the Group;
- (d) the forecasted maintenance fees and other ancillary fees for the existing systems and the anticipated new systems; and
- (e) a moderate inflation rate projected for the years ending 30 June 2025, 2026 and 2027.

In particular, in respect of the IT System Agreement Annual Caps for the year ending 30 June 2026 in the amount of HK\$12,000,000, it was determined in view of the expected substantial increase in demand for the information technology services as well as the implementation of certain new systems that is in line with the Group's expansion plan to significantly increase the number of self-operated and licensee points-of-sale to a total of around 400 by June 2026. As such, it is expected that the price to be paid for information technology services for the year ending 30 June 2025 and 2027 will be far less than those for the year ending 30 June 2026 since the substantial price to be paid for the anticipated new systems is expected to be incurred in the year ending 30 June 2026.

We were informed by the Company that the CGS Group will change to implement another ERP system since the commencement of IT System Agreement, and the former ERP system occurred the majority cost in the historical period during the year ended 30 June 2022 and 2023, respectively and the nine months ended 31 March 2024. Since the majority portion of the IT System Agreement Annual Caps comprised the new ERP system to be implemented by the CGS Group after 1 July 2024, we considered the comparison between the Group's procurement from the independent third part(ies) with the Group's procurement from LF Group Members was not meaningful to assess the proposed IT System Agreement Annual Caps.

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We have reviewed the calculation workings for the IT System Annual Caps and noted that the calculation has considered the systems to be needed for the Group's self-operated and licensee points-of-sale by different geographic markets, including the market of PRC, Hong Kong and Macau, taking into account both the licence fee and annual service fee according to the Group's business plan. We considered such calculation was conducted on valid grounds based on the future plans of the Group to restore its operation to an optimal status after the Acquisition, which is fair and reasonable and in the ordinary and usual course of the Group.

3. Reasons for and benefits of the entering into the agreements under Continuing Connected Transactions

It is noted from the "Letter from the Board" that the entering into of the Agreements is to renew some of the expired agreements and is based on the commercial needs of the Group, which is in the ordinary and usual course of business of the Group and also in the interest of the Group and the Shareholders as a whole after taking into account the following:

- (a) the Supply Agreement will ensure a consistent sales of raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items by the CGS Group at rates consistent with the market;
- (b) the Purchase Agreement will continue to ensure a consistent supply of raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items to the CGS Group at rates consistent with the market; and
- (c) the IT System Agreement will allow the Group to streamline information technology processes, standardize service delivery and reduce operational risks, thereby cultivating an efficient and scalable information technology infrastructure that aligns with the Group's strategic business objectives.

The Company will continue to implement the respective pricing procedures disclosed above and the following internal control procedures in order to ensure that the pricing policies, the terms of the Agreements and the transactions thereunder are fair and reasonable and no less favourable than the terms provided by any independent third party:

- (a) The finance, procurement and operations departments of the Company will review and examine the terms of the Agreements and the transactions thereunder stringently and on a half-yearly basis to ensure that the Annual Caps are not exceeded, and that the pricing of the transactions are no less favourable to the Group than those with independent third parties;

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- (b) The Company's internal auditor will conduct internal assessments regularly on the completeness and effectiveness of the internal control measures of the Company in relation to the Agreements and the transactions thereunder;
- (c) The Board and its audit committee will review the annual financial report containing information on the implementation of the Agreements on an annual basis. The independent non-executive Directors will provide their opinions on the Agreements and the transactions thereunder during the periods of the reports, mainly including whether the transactions are fair and reasonable, and whether the actual transaction amounts incurred pursuant to the Agreements are within the Annual Caps; and
- (d) The external auditor of the Company will conduct an annual audit each year and issue its opinions on whether the amounts incurred pursuant to the Agreements are within the Annual Caps during the year, in accordance with the requirements of the Listing Rules.

Given the Group generated the majority revenue from the retail business from gold and jewellery, we concurred with the Directors' view that entering into the Agreements enables the Company to continue its principal business and generate revenue, which is in the ordinary and usual course of the Group, and in the interests of the Shareholders as a whole.

As for the internal control policy that the Company will continue to implement, we have reviewed twelve relevant approval records under the Historical Supply Agreement and Historical Purchase Agreement, and noted the Company has implemented the internal control policy as mentioned on the paragraph (a) above. We noted from the Management that the Company has engaged internal auditor for internal assessment of the effectiveness of the internal control policy, and the audit committee and external auditor have also performed their duty under the internal control policy in annual review. Hence, we considered such internal control policy is reasonable by designating different departments, the internal auditors, the audit committee as well as the external auditors to monitor the Continuing Connected Transactions to ensure they are contemplated in compliance with the internal control policy and relevant applicable Listing Rules.

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RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that the Tenancy Agreements and the Agreements under the Continuing Connected Transactions have been entered into within the ordinary and usual course of the Group's business based on normal commercial terms, and the terms under the such agreements are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are 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 resolution to approve the Tenancy Agreements and the Agreements under the Continuing Connected Transactions contemplated thereunder at the SGM.

Yours faithfully,
For and on behalf of
Messis Capital Limited

Wallace Cheung
Managing Director

Mr. Wallace Cheung is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of MESSIS Capital Limited to carry out type 6 (advising on corporate finance) regulatory activity under the SFO and has over 13 years of experience in corporate finance 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 Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required 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 they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, were as follows:

(i) Interest in the Company

Name of Director	Capacity in which interests are held	Interest in the Shares	Approximate percentage of total issued Shares as at the Latest Practicable Date
Mr. WONG Ho Lung, Danny <i>(Note 1)</i>	Beneficiary of a trust	201,722,551	74.80%
	Beneficial owner	14,760	0.01
Ms. CHEUNG Irene <i>(Note 2)</i>	Interest of spouse	201,737,311	74.81%
Ms. WONG Hau Yeung <i>(Note 3)</i>	Beneficial owner	20,500	0.01%
Dr. CHAN So Kuen <i>(Note 4)</i>	Beneficial owner	32,380	0.01%
	Interest of spouse	205	0.00%

Notes:

- (1) Mr. WONG Ho Lung, Danny is one of the discretionary beneficiaries under The WS Wong Family Trust. As at the Latest Practicable Date, Luk Fook Holdings is the controlling shareholder of the Company and Luk Fook Holdings is held by Luk Fook (Control) Limited as to approximately 40.37%. Over one-third of the voting power (being approximately 46.29%) of Luk Fook (Control) Limited is held by The WS WONG Family Trust. Therefore, Mr. WONG Ho Lung, Danny is deemed to be interested in (i) 191,943,981 Shares held by Luk Fook Holdings through its subsidiaries; (ii) 9,716,617 Shares held by Luk Fook (Control) Limited; and (iii) 61,953 Shares held by LF Enterprises Limited.
- (2) Ms. CHEUNG Irene is the spouse of Mr. WONG Ho Lung, Danny and she is deemed to be interested in the 201,737,311 Shares which Mr. WONG Ho Lung, Danny is deemed to be interested in.
- (3) Ms. WONG Hau Yeung is the beneficial owner of 20,500 Shares.
- (4) Dr. CHAN So Kuen is the beneficial owner of 32,380 Shares and she is deemed to be interested in the 205 Shares held by her spouse.

(ii) Interest in the associated corporations of the Company

Name of Director	Name of the associated corporation	Capacity in which interests are held	Interests in the shares of the associated corporation	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. WONG Ho Lung, Danny <i>(Note 1)</i>	Luk Fook Holdings	Beneficiary of a trust	238,501,722	40.62%
		Beneficial owner	360,000	0.06%
Ms. CHEUNG Irene <i>(Note 2)</i>	Luk Fook Holdings	Interest of spouse	238,861,722	40.68%
Dr. CHAN So Kuen <i>(Note 3)</i>	Luk Fook Holdings	Beneficial owner	180,000	0.03%
		Interest of spouse	5,000	0.00%

Notes:

- (1) Mr. WONG Ho Lung, Danny is the beneficial owner of 360,000 shares of Luk Fook Holdings and one of the discretionary beneficiaries under The WS Wong Family Trust, which is interested in 238,501,722 shares of Luk Fook Holdings.
- (2) Ms. CHEUNG Irene is the spouse of Mr. WONG Ho Lung, Danny and she is deemed to be interested in the 238,861,722 shares in Luk Fook Holdings which Mr. WONG Ho Lung, Danny is deemed to be interested in.
- (3) Dr. CHAN So Kuen is the beneficial owner of 180,000 shares of Luk Fook Holdings and she is deemed to be interested in the 5,000 shares of Luk Fook Holdings held by her spouse.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(b) Interests of substantial Shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity in which interests are held	Interest in the Shares	Approximate percentage of total issued Shares as at the Latest Practicable Date
Mr. WONG Wai Sheung <i>(Note 1 & 2)</i>	Beneficiary of a trust	201,722,551	74.80%
	Beneficial owner	514,972	0.19%
	Interest in controlled corporation	301,452	0.11%
	Interest of spouse	18,614	0.01%
Ms. LUK Chui Yee <i>(Note 1 & 3)</i>	Beneficiary of a trust	201,722,551	74.80%
	Beneficial owner	18,614	0.01%
	Interest of spouse	816,424	0.30%
Ms. WONG Lan Sze, Nancy <i>(Note 1)</i>	Beneficiary of a trust	201,722,551	74.80%
	Beneficial owner	29,643	0.01%
LF Holding Services Limited <i>(Note 1)</i>	Interest in controlled corporation	201,722,551	74.80%
Luk Fook (Control) Limited <i>(Note 1)</i>	Interest in controlled corporation	191,943,981	71.18%
	Beneficial owner	9,716,617	3.60%
Luk Fook Holdings (International) Limited <i>(Note 1)</i>	Interest in controlled corporation	191,943,981	71.18%
Luk Fook 3D Investment Holding Company Limited <i>(Note 1)</i>	Beneficial owner	190,021,482	70.46%
BOS Trustee Limited as trustee <i>(Note 4)</i>	Trustee	201,725,626	74.80%

Notes:

- (1) Luk Fook Holdings is held as to approximately 40.37% by Luk Fook (Control) Limited, which in turn is indirectly held as to approximately 46.29% by The WS WONG Family Trust (BOS Trustee Limited acts as trustee of The WS WONG Family Trust) via LF Holding Services Limited where Mr. WONG Wai Sheung and his spouse, Ms. LUK Chui Yee, are the founders and settlors and Mr. WONG Wai Sheung, Ms. LUK Chui Yee, Mr. WONG Ho Lung, Danny, and Ms. WONG Lan Sze, Nancy are the discretionary beneficiaries. LF Holding Services Limited held 100% of the issued share capital of LF Enterprises Limited and 46.29% of the issued share capital of Luk Fook (Control) Limited, which are deemed to be interested in 61,953 Shares and 201,660,598 Shares, respectively. Hence, LF Holding Services Limited was deemed to be interested in 201,722,551 Shares. By virtue of the SFO, each of Mr. WONG Wai Sheung, Ms. LUK Chui Yee, Mr. WONG Ho Lung, Danny, and Ms. WONG Lan Sze, Nancy was therefore deemed to be interested in 201,722,551 Shares indirectly held by LF Holding Services Limited.
- (2) Mr. WONG Wai Sheung directly holds 514,972 Shares as a beneficial owner. Mr. WONG Wai Sheung is the spouse of Ms. Luk Chui Yee and he is deemed to be interested in the 18,614 Shares directly held by Ms. LUK Chui Yee as a beneficial owner.
- (3) Ms. LUK Chui Yee is the spouse of Mr. WONG Wai Sheung and she is deemed to be interested in the (i) 514,972 Shares directly held by Mr. WONG Wai Sheung as a beneficial owner; and (ii) 301,452 Shares held by Mr. WONG Wai Sheung through his controlled corporations.
- (4) BOS Trustee Limited owned 100% of the issued share capital of LF Holding Services Limited and was deemed to be interested in 201,722,551 shares in the Company in the capacity of the trustee of The WS WONG Family Trust.
- (5) As at the Latest Practicable Date, save for (i) Mr. WONG Ho Lung, Danny, who is the executive Director and also an executive director of Luk Fook Holdings and Luk Fook (Control) Limited; (ii) Ms. WONG Hau Yeung, who is the executive Director and also an executive director of Luk Fook Holdings; and (iii) Dr. CHAN So Kuen, who is the executive Director and also an executive director of Luk Fook Holdings and Luk Fook 3D Investment Holding Company Limited, none of the Directors is also a director or employee of any of the above substantial shareholders of the Company.

Save as disclosed above in the table, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Group; and none of the Directors nor their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 30 June 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. DIRECTORS' INTEREST IN CONTRACT

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

7. LITIGATION

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

8. MATERIAL ADVERSE CHANGE

Save as disclosed below, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2023 being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

On 28 July 2023, the Company and Mr. LI Ning entered into the disposal agreement (as amended and supplemented by a supplemental agreement dated 18 December 2023) (the “Disposal Agreement”), pursuant to which the Company conditionally agreed to sell, and Mr. LI Ning conditionally agreed to purchase, the entire issued share capital in Brand New Management Limited (a company incorporated in BVI with limited liability and a then direct wholly-owned subsidiary of the Company as at the date of the Disposal Agreement), for a total consideration of HK\$9 million (subject to adjustment). The Disposal Agreement and the transactions contemplated thereunder constitute a special deal for the Company under Rule 25 of the Takeovers Code, a discloseable transaction for the Company under Chapter 14 of the Listing Rules and a connected transaction for the Company under Chapter 14A of the Listing Rules. Completion of the transactions contemplated under the Disposal Agreement took place on 12 January 2024, following which the Group no longer engaged in the new media marketing service business carried out by Brand New Management Limited and its subsidiaries.

9. QUALIFICATION AND CONSENT OF EXPERT

- (a) The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Messis Capital	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

- (b) As at the Latest Practicable Date, Messis Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) Messis Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear respectively.
- (d) As at the Latest Practicable Date, Messis Capital did not have any interest, direct or indirect, in any assets which have been, since 30 June 2023, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

- (b) The principal place of business of the Company in Hong Kong is at Units 06-11, 15/F., Metropole Square, No.2 On Yiu Street, Shek Mun, Shatin, New Territories, Hong Kong, China.
- (c) The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited at 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong.
- (e) The company secretary of the Company is Mr. CHAN Cheuk Him, Paul, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

A copy of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hkrh.hk) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the HK Tenancy Agreements;
- (b) the PRC Tenancy Agreements;
- (c) the Supply Agreement;
- (d) the Purchase Agreement; and
- (e) the IT System Agreement.

The following are the proposed amendments to the existing Bye-Laws.

Proposed amendments (showing changes to the existing Bye-Laws):

**SECOND AMENDED AND RESTATED
BYE-LAWS OF
~~HONG KONG RESOURCES HOLDINGS COMPANY LIMITED~~3DG HOLDINGS
(INTERNATIONAL) LIMITED
香港資源控股有限公司金至尊集團(國際)有限公司**

(Approved by a Special Resolution passed by the shareholders
at the ~~annual~~ **special** general meeting held on ~~30 November~~ **28 June** 2024)

Bye-Laws before amendments

Bye-Laws after amendments

Bye-law 1

Bye-law 1

“Company” HONG KONG RESOURCES HOLDINGS COMPANY LIMITED 香港資源控股有限公司

“Company” ~~HONG KONG RESOURCES HOLDINGS COMPANY LIMITED~~3DG HOLDINGS (INTERNATIONAL) LIMITED
香港資源控股有限公司金至尊集團(國際)有限公司

Bye-law 2

Bye-law 2

...

...

(m) to the extent any provision in these Bye-laws contradicts or is inconsistent with any provision of Part II or Part III of the Electronic Transactions Act 1999 (as amended from time to time) (“ETA”) or Section 2AA of the Act, the provisions in these Bye-laws shall prevail; they shall be deemed as an agreement between the Company and the Members to vary the provisions of the ETA and/or to override the requirement of Section 2AA of the Act, as applicable;

Bye-Laws before amendments

- (m) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (n) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly, and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Bye-law 64E;

Bye-Laws after amendments

- ~~(m)~~ references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- ~~(n)~~ a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly, and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Bye-law 64E;

Bye-Laws before amendments

Bye-Laws after amendments

- (o) references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (p) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (q) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

- (~~o~~**p**) references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (~~p~~**q**) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (~~q~~**r**) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

Bye-law 10

Bye-law 10

...

...

- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum; and

- (a) the necessary quorum (~~other than~~**including** at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than ~~one-third~~**one-third** in nominal value of the issued shares of that class ~~and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum; and~~

Bye-Laws before amendments

Bye-law 56

Subject to the Act, an annual general meeting of the Company shall be held in each financial year other than the financial year in which its statutory meeting is convened and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any).

Bye-law 58

The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held in the form of a physical meeting only and within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may convene such physical meeting in accordance with the provisions of Section 74(3) of the Act.

Bye-Laws after amendments

Bye-law 56

Subject to the Act, an annual general meeting of the Company shall be held ~~in~~**for** each financial year other than the financial year in which its statutory meeting is convened and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any).

Bye-law 58

The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, **on a one vote per share basis**, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held in the form of a physical meeting only and within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may convene such physical meeting in accordance with the provisions of Section 74(3) of the Act.

Bye-Laws before amendments

Bye-law 63

...

- (2) If the chairman of a general meeting is participating in the general meeting using an electronic facility or facilities and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Bye-law 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.

Bye-law 64

Subject to Bye-law 64C, the chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the details set out in Bye-law 59(2) but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

Bye-Laws after amendments

Bye-law 63

...

- (2) If the chairman of a general meeting **held in any form** is participating in the general meeting using an electronic facility or facilities **which is hereby permitted** and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Bye-law 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.

Bye-law 64

Subject to Bye-law 64C, the chairman may; ~~with~~ **(without the consent of any the meeting) or shall at the direction of the** meeting at which a quorum is present ~~(and shall if so directed by the meeting)~~, adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned **or postponed** meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days² Notice of the adjourned meeting shall be given specifying the details set out in Bye-law 59(2) but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

Bye-Laws before amendments

Bye-law 64A

- (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“**Meeting Location(s)**”) determined by the Board at its absolute discretion. Any Member or any proxy attending and participating in such way or any Member participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

Bye-law 76

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

Bye-Laws after amendments

Bye-law 64A

- (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“**Meeting Location(s)**”) determined by the Board at its absolute discretion. Any Member or any proxy attending and participating in such way or any Member or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

Bye-law 76

The instrument appointing a proxy shall be in **such form as the Board may determine and in the absence of such determination, shall be in** writing ~~under the hand of~~ **signed by** the appointor or ~~of his attorney duly authorised~~ in writing or, if the appointor is a corporation, either under its seal or ~~under the hand of~~ **signed by** an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

Bye-Laws before amendments

Bye-law 112

A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or in such other manner as the Board may from time to time determine.

Bye-law 151

The requirement to send to a person referred to in Bye-law 149 the documents referred to in that provision or a summary financial report in accordance with Bye-law 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Bye-law 149 and, if applicable, a summary financial report complying with Bye-law 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

Bye-Laws after amendments

Bye-law 112

A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or **by telephone or** in such other manner as the Board may from time to time determine.

Bye-law 151

The requirement to send to a person referred to in Bye-law 149 the documents referred to in that provision or a summary financial report in accordance with Bye-law 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Bye-law 149 and, if applicable, a summary financial report complying with Bye-law 150, **in any manner permitted by these Bye-laws, including** on the Company's computer network ~~or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.~~

Bye-Laws before amendments**Bye-Laws after amendments**

Bye-law 158

Bye-law 158

(1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Bye-laws by the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:

(1) Any Notice or document (including any ~~“corporate communication”~~ **and “actionable corporate communication”** within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Bye-laws ~~by~~**from** the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and, **subject to compliance with the Listing Rules**, any such Notice and document may be given or issued by the following means:

...

...

(d) by placing an advertisement in appointed newspapers (as defined in the Act) or other publication, or where applicable in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;

(d) by placing an advertisement in appointed newspapers **or other publication and where applicable**, (as defined in the Act) ~~or other publication, or where applicable~~ in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;

(e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;

(e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5); ~~subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;~~**3) without the need for any additional consent or notification;**

Bye-Laws before amendments

(f) by publishing it on the Company's website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company's computer network website (a "notice of availability");

...

(2) The notice of availability may be given by any of the means set out above other than by posting it on a website.

(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

(4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.

Bye-Laws after amendments

(f) by publishing it on the Company's website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company's computer network website (a "notice of availability"); of the Designated Stock Exchange without the need for any additional consent or notification;

...

(2) ~~The notice of availability may be given by any of the means set out above other than by posting it on a website.~~

(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

(4) ~~Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.~~

Bye-Laws before amendments

- (5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which notices can be served upon him.
- (6) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language.

Bye-Law 159

Any Notice or other document:

...

- (c) if published on the website of the Designated Stock Exchange or the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the website of the Designated Stock Exchange or the Company's website to which the relevant person may have access, or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;

Bye-Laws after amendments

- (~~5~~3) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which ~~n~~oices can be served upon him.
- (~~6~~4) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any Member, in the Chinese language only to such Member.

Bye-Law 159

Any Notice or other document:

...

- (c) if placed or published on either the Company's website or the website of the Designated Stock Exchange ~~or the Company's website~~, shall be deemed to have been given or served on the day on which the notice, document or publication first so appears on the ~~website of the Designated Stock Exchange or the Company's website~~ to which the relevant person may have access, or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later; relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or required by the Listing Rules;

Bye-Laws before amendments

Bye-Law 160

...

Bye-Law 161

For the purposes of these Bye-law, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. The signature to any notice or document to be given by the Company may be written, printed or made electronically.

Bye-Laws after amendments

Bye-Law 160

...

(3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

Bye-Law 161

For the purposes of these **Bye-laws**, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. The signature to any notice or document to be given by the Company may be written, printed or ~~made in~~ electronically form.

NOTICE OF SGM



HONG KONG RESOURCES HOLDINGS COMPANY LIMITED 香港資源控股有限公司

*(Incorporated in Bermuda with limited liability
and carrying on business in Hong Kong as HKRH China Limited)*
(Stock code: 2882)

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Hong Kong Resources Holdings Company Limited (the “Company”) will be held at 27/F, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong on Friday, 28 June 2024 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions. Words and expressions that are not expressly defined in this notice of SGM shall bear the same meaning as those defined in the circular of the Company dated 13 June 2024.

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the PRC Tenancy Agreements dated 8 May 2024 entered into between various subsidiaries of the Company and the PRC Landlords for the lease of the PRC Premises (a copy of which has been produced to the meeting marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one Director, and in the case of execution of documents under seal, one Director and the secretary of the Company, any two Directors, such other person (including a Director) or persons as the Board may appoint be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the PRC Tenancy Agreements and the transactions contemplated thereunder including the affixing of common seal thereon.”

NOTICE OF SGM

2. **“THAT**

- (a) the HK Tenancy Agreements dated 8 May 2024 3DM with Ultra Power and Green Rich for the lease of the HK Premises (a copy of which has been produced to the meeting marked “B” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one Director, and in the case of execution of documents under seal, one Director and the secretary of the Company, any two Directors, such other person (including a Director) or persons as the Board may appoint be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the HK Tenancy Agreements and the transactions contemplated thereunder including the affixing of common seal thereon.”

3. **“THAT**

- (a) the Supply Agreement dated 8 May 2024 entered into between CGS and Maxigood in respect of the supply of goods by CGS to Maxigood (a copy of which has been produced to the meeting marked “C” and initialled by the chairman of the meeting for identification purpose), the transactions contemplated thereunder and the proposed Supply Agreement Annual Caps be and are hereby approved, confirmed and ratified; and
- (b) any one Director, and in the case of execution of documents under seal, one Director and the secretary of the Company, any two Directors, such other person (including a Director) or persons as the Board may appoint be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the Supply Agreement and the transactions contemplated thereunder including the affixing of common seal thereon.”

NOTICE OF SGM

4. **“THAT**

- (a) the Purchase Agreement dated 8 May 2024 entered into between CGS and Maxigood in respect of the purchase of goods by CGS from Maxigood (a copy of which has been produced to the meeting marked “D” and initialled by the chairman of the meeting for identification purpose), the transactions contemplated thereunder and the proposed Purchase Agreement Annual Caps be and are hereby approved, confirmed and ratified; and
- (b) any one Director, and in the case of execution of documents under seal, one Director and the secretary of the Company, any two Directors, such other person (including a Director) or persons as the Board may appoint be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the Purchase Agreement and the transactions contemplated thereunder including the affixing of common seal thereon.”

5. **“THAT**

- (a) the IT System Agreement dated 8 May 2024 entered into between CGS and Luk Fook Holdings in relation to the provision of certain information technology system-related services by various subsidiaries of Luk Fook Holdings to the Group (a copy of which has been produced to the meeting marked “E” and initialled by the chairman of the meeting for identification purpose), the transactions contemplated thereunder and the proposed IT System Agreement Annual Caps be and are hereby approved, confirmed and ratified; and
- (b) any one Director, and in the case of execution of documents under seal, one Director and the secretary of the Company, any two Directors, such other person (including a Director) or persons as the Board may appoint be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the IT System Agreement and the transactions contemplated thereunder including the affixing of common seal thereon.”

NOTICE OF SGM

SPECIAL RESOLUTIONS

6. “**THAT** subject to and conditional upon the approval of the Registrar of Companies in Bermuda being obtained, the English name of the Company be changed from “Hong Kong Resources Holdings Company Limited” to “3DG HOLDINGS (INTERNATIONAL) LIMITED” and the secondary name of the Company in Chinese be changed from “香港資源控股有限公司” to “金至尊集團(國際)有限公司”, with effect from the date on which a certificate of change of name and certificate of secondary name are issued by the Registrar of Companies in Bermuda (the “**Effective Date**”), and that any one of the Directors or the company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents as he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Proposed Name Change and to attend to any necessary registration and/or filing for and on behalf of the Company.”
7. “**THAT**
- (a) subject to the Proposed Name Change becoming effective, the Name Change Amendments as set forth in the Appendix II to the Circular be and are hereby approved;
 - (b) the Corporate Communications Amendments as set forth in the Appendix II to the Circular be and are hereby approved;
 - (c) the Housekeeping Amendments as set forth in the Appendix II to the Circular be and are hereby approved; and
 - (d) the amendments to the existing amended and restated bye-laws of the Company as set out in the circular of the Company dated 13 June 2024 be and are hereby approved and the New Bye-Laws (a copy of which has been produced to the meeting marked “F” and initialed by the chairman of the SGM for identification purpose) which incorporates and consolidates all Bye-Laws Amendments, be and is hereby approved and adopted, in substitution for and to the exclusion of the existing amended and restated bye-laws of the Company with effect from the Effective Date, and that any one or more Directors be and are hereby authorised to, do all acts and things necessary, appropriate, desirable or expedient to give effect to the Bye-Laws Amendments and the adoption of the New Bye-Laws, including but not limited to, attending to any, necessary registration and/or filing of the New Bye-Laws and all required documents for and on behalf of the Company.”

By order of the Board
Hong Kong Resources Holdings Company Limited
WONG Ho Lung, Danny
Chairman and Chief Executive Officer

Hong Kong, 13 June 2024

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or, if he is the holder of two or more Shares, more than one proxy to attend and vote instead of him/her/it. A proxy need not be a member.
2. A form of proxy for use at the SGM is enclosed herewith. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude a Shareholder of the Company from attending and voting in person at the SGM convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
4. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder of the Company to be eligible to attend and vote at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24 June 2024.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this announcement, the Board comprises Mr. WONG Ho Lung, Danny (Chairman and Chief Executive Officer), Ms. CHEUNG Irene (Chief Operating Officer), Ms. WONG Hau Yeung, and Dr. CHAN So Kuen as executive Directors; Ms. YEUNG Po Ling, Pauline as non-executive Director; and Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne, and Dr. CHOW Kwoon Ho, Simon as independent non-executive Directors.