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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 or a registered institution in securities, a bank manager, a solicitor, a professional accountant or other professional advisers.

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

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Tycoon Group Holdings Limited

滿貫集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3390)

REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MASTER SALE AND PURCHASE AGREEMENT AND NOTICE OF EGM

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

BALLAS
C A P I T A L

Capitalised terms defined in this circular shall have the same meanings when used in this cover.

A letter from the Board is set out on pages 6 to 13 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 30 of this circular.

A notice convening the EGM to be held at Commons Workshop, 28/F, Sunshine Plaza, 353 Lockhart Road, Wan Chai, Hong Kong, on Friday, 15 October 2021 at 10 a.m. is set out on pages EGM-1 and EGM-2 of this circular. A proxy form for the EGM is also enclosed with this circular.

Whether or not you intend to attend and vote at the EGM or any adjourned meetings in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 10 a.m. on Wednesday, 13 October 2021 or not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish, and in such case, the proxy form previously submitted shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

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

- (1) compulsory body temperature screening/checks;
- (2) compulsory wearing of surgical face mask;
- (3) maintaining a safe distance between seats;
- (4) where necessary, participants will be required to sit in different rooms or partitioned areas; and
- (5) no provision of refreshments or drinks, and no handing out of corporate gifts or gift coupons.

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

For the health and safety of Shareholders, the Company strongly encourages Shareholders to exercise their right to vote at the EGM by appointing the Chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.

The Company will keep the evolving COVID-19 situation under review and may implement and/or announce additional measures before the date of the EGM.

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DEFINITIONS

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

“April EGM”	the extraordinary general meeting of the Company held on 16 April 2021 approving, among others, the Master Sale and Purchase Agreement, the transactions contemplated thereunder, the Existing Annual Caps and the Tycoon Products Caps
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Tycoon Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“CR Care”	CR Care Company Limited (華潤堂有限公司), an associate of CR Retail and a wholly-owned subsidiary of CR Pharmaceutical
“CR Pharmaceutical”	China Resources Pharmaceutical Group Limited (華潤醫藥集團有限公司) (stock code: 3320), a company whose shares are listed on the Main Board of the Stock Exchange and a substantial shareholder of the Company
“CR Pharma Group”	collectively, CR Pharmaceutical and its subsidiaries
“CR Products”	certain PCM, health supplement and other healthcare products sold or to be sold by the CR Pharma Group
“CR Retail”	China Resources Pharmaceutical Retail Group Limited, an investment holding company incorporated in BVI with limited liability, a wholly-owned subsidiary of CR Pharmaceutical and a substantial shareholder of the Company
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	an extraordinary general meeting of the Company to be held at Commons Workshop, 28/F, Sunshine Plaza, 353 Lockhart Road, Wan Chai, Hong Kong on Friday, 15 October 2021 at 10 a.m. for the Independent Shareholders to consider and, if thought fit, and approve by poll, among other things, the Revised Annual Caps (or any adjournment thereof), the notice of which is set out on pages EGM-1 to EGM-2 of this circular
“Existing Annual Caps”	the annual caps for the three years ending 31 December 2023 in respect of purchases of CR Products as contemplated under the Master Sale and Purchase Agreement and approved at the April EGM
“Existing Product”	a third-party brand medical ointment which the Group is sourcing from the CR Pharma Group
“FY”	the financial year ended or ending (as the case may be) 31 December
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong CR Sanjiu”	Sanjiu Healthy World Company Limited (三九健康天地有限公司), a limited liability company incorporated in Hong Kong and a non-wholly owned subsidiary of CR Pharmaceutical
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Wong Yuk Woo Louis, Mr. Chung Siu Wah and Ms. Chan Ka Lai Vanessa, formed to advise the Independent Shareholders in respect of the Revised Annual Caps
“Independent Financial Adviser”	Ballas Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps

DEFINITIONS

“Independent Shareholders”	Shareholders who are not prohibited from voting at the EGM regarding the Revised Annual Caps
“Latest Practicable Date”	21 September 2021, being the latest practicable date to ascertain certain information contained herein before the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macao Special Administrative Region of the People’s Republic of China
“Master Sale and Purchase Agreement”	the master sale and purchase agreement dated 8 February 2021 entered into between the Company and CR Pharmaceutical in relation to the sale and purchase of Tycoon Products and CR Products for a term commencing on the date of such agreement and ending on 31 December 2023
“NC Products Distribution Agreement (JD & HK)”	the distribution agreement dated 7 January 2020 and entered into between Hong Kong CR Sanjiu, Billion Crown (China) Limited (“ Billion Crown ”), a wholly owned subsidiary of the Company and Tycoon Hong Kong in relation to the granting of distribution rights by Hong Kong CR Sanjiu to Billion Crown and Tycoon Hong Kong over certain products of the Nature’s Care Pro series under the brand name of Nature’s Care for sales of such products on the e-commerce portal at JD.hk (海囤全球—京東旗下全球直購平台) and in the territory of Hong Kong respectively for a term commencing retrospectively on 1 September 2019 and ending on 31 December 2021
“NC Products Distribution Agreement (Tmall)”	the distribution agreement dated 7 January 2020 and entered into between Hong Kong CR Sanjiu and Titita Trading Co., Limited (“ Titita ”), a wholly owned subsidiary of the Company, in relation to the granting of distribution rights by Hong Kong CR Sanjiu to Titita over certain products of the Nature’s Care Pro series under the brand name of Nature’s Care for sales of such products through Nature’s Care Overseas Flagship Store* (Nature’s Care 海外旗艦店) on the e-commerce portal at Tmall.hk (天貓國際) for a term commencing retrospectively on 10 December 2019 and ending on 31 December 2021

DEFINITIONS

“NC Products Distribution Agreements”	collectively, the NC Products Distribution Agreement (JD & HK) and the NC Products Distribution Agreement (Tmall)
“New Products”	collectively, New Product A, New Product B, New Product C and other potential products to be sold by the CR Pharma Group to the Group
“New Product A”	certain third party brand probiotic products from the United States
“New Product B”	certain third party brand skincare products from Australia which include face care products, hand care products and foot care products etc.
“New Product C”	certain health supplement and personal care products from various third party brands which include vitamin and mineral supplement products, body care products and dental care products etc.
“PCM”	“proprietary Chinese medicines” as defined in the Chinese Medicine Ordinance (Cap. 549 of the Laws of Hong Kong)
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus of the Company dated 30 March 2020 in relation to the Share Offer and the listing of the shares of the Company on the Main Board of the Stock Exchange on 15 April 2020
“Revised Annual Caps”	the revised annual caps for the three years ending 31 December 2023 in respect of purchases of CR Products (inclusive of the New Products) as contemplated under the Master Sale and Purchase Agreement to be approved at the EGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Share Offer”	the offering of shares of the Company as more particularly described in the Prospectus and the listing of the shares of the Company on the Main Board of the Stock Exchange on 15 April 2020

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Purchase Amount”	the target purchase amount as agreed between the relevant brand owners, traders or distributors in respect of certain of the New Products, the Group and the CR Pharma Group
“Tycoon Hong Kong”	Tycoon Asia Pacific Group Limited (滿貫(亞太)集團有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Tycoon Products”	certain PCM, health supplement and other healthcare products sold by the Group
“Tycoon Products Caps”	the annual caps for the three years ending 31 December 2023 in respect of the sales of Tycoon Products as contemplated under the Master Sale and Purchase Agreement and approved at the April EGM
“%”	per cent

* *English translations of the original names in Chinese and are for identification purpose only.*

LETTER FROM THE BOARD



Tycoon Group Holdings Limited
滿貫集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3390)

Executive Director:

Mr. Wong Ka Chun Michael

Non-executive Directors:

Mr. Yao Qingqi

Ms. Chong Yah Lien

Ms. Li Ka Wa Helen

Mr. Lau Ka On David

Independent Non-Executive Directors:

Mr. Wong Yuk Woo Louis

Mr. Chung Siu Wah

Ms. Chan Ka Lai Vanessa

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

Room 14, 8/F

Wah Wai Centre

38-40 Au Pui Wan Street

Shatin, New Territories

Hong Kong

28 September 2021

To the Shareholders

Dear Sir or Madam,

**REVISION OF THE EXISTING ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
MASTER SALE AND PURCHASE AGREEMENT
AND
NOTICE OF EGM**

Reference is made to the circular of the Company dated 25 March 2021 (“**March Circular**”) in relation to, among other things, the Master Sale and Purchase Agreement entered into between the Company and CR Pharmaceutical and the annual caps of the continuing connected transactions contemplated thereunder.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others, (i) the particulars of the Revised Annual Caps; (ii) the recommendation of the Independent Board Committee in respect of the Revised Annual Caps; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice on the Revised Annual Caps; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules in relation to the Revised Annual Caps.

REVISION OF THE EXISTING ANNUAL CAPS

On 8 February 2021, the Company entered into the Master Sale and Purchase Agreement with CR Pharmaceutical, pursuant to which (i) the Company conditionally agrees to purchase and CR Pharmaceutical conditionally agrees to sell the CR Products, and (ii) the Company conditionally agrees to sell and CR Pharmaceutical conditionally agrees to purchase the Tycoon Products, in each case, for itself and its subsidiaries, for a term commencing on 8 February 2021 and ending on 31 December 2023. The April EGM was duly convened and the Independent Shareholders approved the Master Sale and Purchase Agreement and the transactions contemplated thereunder, including the Existing Annual Caps and the Tycoon Products Caps.

At the time when the Existing Annual Caps were proposed, it was expected that 90% of CR Products to be purchased would be the Existing Product. However, subsequent to the approval of the Existing Annual Caps at the April EGM, it is contemplated that the Group will purchase certain New Products (which are also third party brand products) from the CR Pharma Group in addition to the Existing Product and other products.

Regarding the purchase of the New Products, the Group, together with CR Pharma Group, have liaised with and are in the process of liaising with the respective brand owners or distributors of the New Products for the respective distribution agreements. The involvement of CR Pharma Group in the distribution of the New Products are considered as beneficial to the Group as by reason of the size, scale and reputation of CR Pharma Group, in particular, its strong financial background and experience in offline distribution of PCM and health supplement products in the PRC, the Directors believe that, in this connection, the Group will be able to bargain more favourable terms with the brand owners and distributors for (i) the distribution rights and/or authorisations of the New Products; and (ii) the price and payments for sourcing of the New Products.

All the distribution agreements in respect of the New Products are entered into or are to be entered into with the respective brand owners or distributors on the basis that CR Pharma Group would be one of the contracting parties and would be primarily responsible for placing orders and making payments for the New Products sourced. In consideration of CR Pharma Group agreeing to such transaction arrangements and agreeing to grant the Group a credit period longer than those granted by the respective brand owners or distributors of the New Products under the distribution agreements, the Group shall make payment to CR Pharma Group in respect of the New Products on a 'cost-plus' basis whereby CR Pharma Group shall mark-up at a rate of approximately 1% on its cost of the New Products.

LETTER FROM THE BOARD

The purchase of the New Products shall be governed by the Master Sale and Purchase Agreement, detailed terms of which are set out in the March Circular. In summary, all terms of the purchase shall be determined in accordance with the specific purchase orders to be placed by the Group and shall be on normal commercial terms negotiated and agreed upon on an arm's length basis by the Group and the CR Pharma Group with reference to the prevailing selling prices of the New Products and the selling prices of the New Products set by the respective brand owners or distributors. Please refer to "Master Sale and Purchase Agreement and Existing Purchase Transactions - Pricing and payment terms" in the March Circular for further details.

In light of the New Products to be sourced and the Target Purchase Amount in respect of such New Products, it is expected that the Existing Annual Caps will not be sufficient to keep up with the business growth of the Group. Hence, the Company proposes to revise the Existing Annual Caps to cater for the latest business and procurement plan. For the avoidance of doubt, (i) the terms of the Master Sale and Purchase Agreement and (ii) the Tycoon Products Caps will remain unchanged. For details of the principal terms of the Master Sale and Purchase Agreement and the Tycoon Products Caps, please refer to the March Circular.

The table below sets out the historical amount of the purchase of CR Products during the seven months ended 31 July 2021 based on the unaudited management accounts of the Group, the Existing Annual Caps and the Revised Annual Caps:

Historical amounts for the seven months ended	Existing Annual Caps			Revised Annual Caps		
	31 July 2021 <i>HK\$'000</i>	FY2021 <i>HK\$'000</i>	FY2022 <i>HK\$'000</i>	FY2023 <i>HK\$'000</i>	FY2021 <i>HK\$'000</i>	FY2022 <i>HK\$'000</i>
<u>81,955</u>	<u>300,000</u>	<u>360,000</u>	<u>432,000</u>	<u>550,000</u>	<u>1,000,000</u>	<u>1,300,000</u>

The Company will ensure that the Existing Annual Caps would not be exceeded before Independent Shareholders' approval is obtained.

Basis of the Revised Annual Caps

Under the Existing Annual Caps, it was expected that 90% of the CR Products would be the Existing Product, therefore the expected annual purchase in respect of the Existing Product would be HK\$270 million, HK\$324 million and HK\$389 million respectively for the three years ending 31 December 2023.

LETTER FROM THE BOARD

However, as a matter of fact, for the seven months ended 31 July 2021, the total purchase of CR Products was approximately HK\$82 million, of which only HK\$26 million was for the Existing Product and HK\$56 million was for the New Product A. The total purchase of Existing Product for the seven months ended 31 July 2021 was far below the original estimation when determining the Existing Annual Cap for FY2021 primarily due to (i) the cautious attitude of the Group in sourcing the Existing Product after taking into account the insufficiency of the Existing Annual Cap for FY2021 in light of the new development; and (ii) the relatively higher profit margin for the New Products as compared with the Existing Product.

In contemplation of the New Products which have relatively higher profit margin as compared with the Existing Product and the fact that the Group can always source the Existing Product from other independent third parties instead of the CR Pharma Group in the event the Group would like to distribute more of the Existing Product, the Group proposes to revise the Existing Annual Caps by increasing the annual caps for each of FY2021, FY2022 and FY2023 and to adjust the allocation of the annual caps so that more annual caps would be allocated to the higher profit margin New Products.

The table below sets out the breakdown of the Revised Annual Caps based on the latest procurement and sales plan of the Group:

	FY2021	FY2022	FY2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Existing Product	87,000	180,000	216,000
New Product A	310,000	281,000	350,000
New Product B	–	80,000	110,000
New Product C	78,000	219,000	234,000
Others	<u>75,000</u>	<u>240,000</u>	<u>390,000</u>
	<u>550,000</u>	<u>1,000,000</u>	<u>1,300,000</u>

Note: The above Revised Annual Caps do not take into account the sales by Hong Kong CR Sanjiu to the Group pursuant to the NC Products Distribution Agreements, particulars of which were disclosed in the Prospectus.

Existing Product

The Existing Product is a third party brand medical ointment which is very popular among the PRC consumers. The Group has been selling the Existing Product via e-commerce portals. The management of the Group is of the view that but for the cautious approach adopted by the Group in light of the insufficiency of the Existing Annual Cap for FY2021, the purchase for the Existing Product would have been approximately HK\$12 million per month for FY2021. The proposed Revised Annual Caps for each of FY2022 and FY2023 is estimated to increase by 20% respectively as compared to the preceding year assuming the annual purchase for the Existing Product would ordinarily be approximately HK\$150 million for FY2021. Such growth rate was determined after taking in to account the inflation, organic business growth and market growth of the PRC healthcare industry and its

LETTER FROM THE BOARD

fairness and reasonableness have been assessed by the Independent Financial Adviser. Upon conducting desktop researches on the market outlook of the PRC healthcare industry and the e-commerce industry in the PRC, the Independent Financial Adviser was of the view that such growth rate is reasonable given the growing population, the increasing demand for medical and health products and the growing popularity of e-commerce. For details of the assessment of the Independent Financial Adviser, please refer to the Letter from the Independent Financial Adviser included in this circular.

New Products

The New Products are also third party brand health supplement, healthcare, skin care, personal care or other healthcare products.

In relation to the purchase of each of New Product A, New Product B and New Product C, the proposed Revised Annual Cap for each of FY2021, FY2022 and FY2023 is estimated after taking into consideration of (i) the Target Purchase Amount in respect of each of such products; (ii) the expected rapid growth in sales in e-commerce; and (iii) the general inflation, organic business growth and market growth of the PRC healthcare industry.

In determining the Revised Annual Caps, a fraction of such caps have been allocated for 'others' which mainly represents the buffer for (i) the purchase amount in respect of each of New Product A, New Product B and New Product C exceeding the Target Purchase Amount as agreed with the respective brand owners or distributors; and (ii) other potential products to be purchased by the Group from CR Pharm Group under the Master Sale and Purchase Agreement in view of the potential business growth and market growth of the PRC healthcare industry.

There is no overlapping of products under the Existing Product and the New Products.

Reasons for and Benefit of the Revised Annual Caps

As mentioned in the section headed "Reasons for and Benefit of Entering into the Master Sale and Purchase Agreement" in the March Circular, purchasing CR Products from the CR Pharma Group does not only enable the Group to diversify its product offerings but also enjoy more favourable payment terms offered by the CR Pharma Group such as allowing for a longer credit period.

As the New Products are popular among local consumers and the PRC consumers, the Group believes the sourcing of the New Products in addition to the Existing Product and other products will further boost the business performance of the Group for the three years ending 31 December 2023. As such, the Directors (including the independent non-executive Directors whose view have been formed taking into account the advice of the Independent Financial Adviser) are of the view that the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the provision of PCM, health supplement, skin care, personal care and other healthcare products.

CR Pharmaceutical is a company listed on the Main Board of the Stock Exchange. The CR Pharma Group's core business encompasses research and development, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products. As at 31 December 2020, the CR Pharma Group operated one of the largest retail pharmacy networks in the PRC, comprising over 850 pharmacies under national or regional premium brands – “CR Care (華潤堂)” and “Teck Soon Hong (德信行)”.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CR Pharmaceutical is the holding company of CR Retail, a substantial shareholder of the Company interested in approximately 18.99% of the issued share capital of the Company, each of CR Pharmaceutical and its subsidiaries is considered as a connected person of the Company. The transactions contemplated under the Master Sale and Purchase Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Pursuant to rule 14A.54(1) of the Listing Rules, before an annual cap is exceeded or an issuer proposes to renew the agreement in respect of continuing connected transactions, the Company is required to re-comply with the relevant announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Revised Annual Caps on an aggregate basis exceeds 5% and the aggregated value of Revised Annual Caps is more than HK\$10 million, the Revised Annual Caps are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that CR Retail is a substantial shareholder of the Company and each of Mr. Yao Qingqi and Ms. Chong Yah Lien is a non-executive Director and a director of CR Retail, each of Mr. Yao Qingqi and Ms. Chong Yah Lien had voluntarily abstained from voting on the resolutions of the Board to approve the Revised Annual Caps. Save as disclosed above, no Director has any material interests in the transactions contemplated under the Master Sale and Purchase Agreement.

EGM

The EGM will be convened to consider and, if thought fit, approve the Revised Annual Caps. To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, save for CR Retail which is the owner of 151,895,000 issued shares of the Company, representing approximately 18.99% of the issued share capital of the Company, no Shareholder has any material interest in the Revised Annual Caps and hence is required to abstain from voting on the relevant resolutions to approve the Revised Annual Caps at the EGM, pursuant to Rule 14A.36 of the Listing Rules.

LETTER FROM THE BOARD

An Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Revised Annual Caps. Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee comprises Mr. Wong Yuk Woo Louis, Mr. Chung Siu Wah and Ms. Chan Ka Lai Vanessa, each an independent non-executive Director.

A notice convening the EGM to be held at Commons Workshop, 28/F, Sunshine Plaza, 353 Lockhart Road, Wan Chai, Hong Kong on Friday, 15 October 2021 at 10 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A proxy form for the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event by Wednesday, 13 October 2021, or not less than 48 hours before the time appointed for holding of the EGM or any adjournments thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournments thereof should you so wish, and in such case, the proxy form previously submitted shall be deemed to be revoked.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 14 October 2021 to Friday, 15 October 2021, both days inclusive, during which period no transfers of shares will be effected. In order to be entitled to attend the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 13 October 2021.

Precautionary Measures for the EGM

Please see the paragraph headed "PRECAUTIONARY MEASURES FOR THE EGM" in the cover of this circular for measures being taken to try to prevent and control the spread of COVID-19. For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy instead of attending the EGM in person. Physical attendance is not necessary for the purpose of exercising Shareholders' rights.

RECOMMENDATION

Your attention is drawn to the Letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains its recommendation to the Independent Shareholders in relation to the Revised Annual Caps.

Your attention is also drawn to the Letter from the Independent Financial Adviser set out on pages 16 to 30 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps.

LETTER FROM THE BOARD

The terms of the Master Sale and Purchase Agreement had been reviewed earlier by the independent committee of the Board and the independent financial advisor and each of them considered the terms of the Master Sale and Purchase Agreement as fair and reasonable and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Master Sale and Purchase Agreement was approved in the April EGM and the terms contained therein remain unchanged.

As to the Revised Annual Caps, the Directors (including the independent non-executive Directors whose views have been formed taking the advice of the Independent Financial Adviser into account) consider that the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

FURTHER INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular and the notice of the EGM.

On behalf of the Board
Tycoon Group Holdings Limited
Wong Ka Chun Michael
*Chairman, Executive Director and
Chief Executive Officer*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Tycoon Group Holdings Limited

滿貫集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3390)

28 September 2021

To the Independent Shareholders

Dear Sir or Madam

REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MASTER SALE AND PURCHASE AGREEMENT

We refer to the circular dated 28 September 2021 (“**Circular**”) issued by Tycoon Group Holdings Limited (“**Company**”) to the Shareholders, of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless specified otherwise.

We have been appointed as the Independent Board Committee to consider and to advise the Independent Shareholders in respect of the Revised Annual Caps. Ballas Capital Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons that the Independent Financial Adviser has taken into consideration, are set out on pages 16 to 30 of the Circular.

We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the Revised Annual Caps. Your attention is also drawn to the additional information set out in the appendix to this circular.

Having considered the advice of the Independent Financial Adviser and the relevant information contained in the Letter from the Board, we are of the view that the terms of the Master Sale and Purchase Agreement (which were approved at the April EGM and remain unchanged) and the transactions contemplated thereunder, including the Revised Annual Caps, are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Company, the Master Sale and Purchase Agreement and the Revised Annual Caps are in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM for approving the Revised Annual Caps.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Tycoon Group Holdings Limited

Mr. Wong Yuk Woo Louis
Independent Non-executive
Director

Mr. Chung Siu Wah
Independent Non-executive
Director

Ms. Chan Ka Lai Vanessa
Independent Non-executive
Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BALLAS
C A P I T A L

Unit 1802, 18/F
1 Duddell Street, Central
Hong Kong

28 September 2021

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE MASTER SALE AND PURCHASE AGREEMENT

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of the annual caps in relation to the Continuing Connected Transactions contemplated under the Master Sale and Purchase Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 28 September 2021, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 8 February 2021, the Company entered into the Master Sale and Purchase Agreement with CR Pharmaceutical, pursuant to which (i) the Company conditionally agrees to purchase and CR Pharmaceutical conditionally agrees to sell the CR Products, and (ii) the Company conditionally agrees to sell and CR Pharmaceutical conditionally agrees to purchase the Tycoon Products, in each case, for itself and its subsidiaries, for a term commencing on 8 February 2021 and ending on 31 December 2023 (the “**Continuing Connected Transactions**”). As set out in the Letter from the Board, it is expected that the Group will purchase certain New Products from the CR Pharma Group in addition to the Existing Product and other products pursuant to the Master Sale and Purchase Agreement. Based on the latest procurement and sales plans of the Group, it is expected that the Existing Annual Caps in relation to the purchase of CR Products by the Group from the CR Pharma Group will not be sufficient to keep up with the business growth of the Group. Hence, on 27 August 2021, the Board has resolved to revise the Existing Annual Caps in relation to the purchase of CR Products by the Group from the CR Pharma Group from HK\$300 million, HK\$360 million and HK\$432 million for the three years ending 31 December 2021, 2022 and 2023 to the Revised Annual Caps of HK\$550 million, HK\$1,000 million and HK\$1,300 million, respectively. The Revised Annual Caps shall be effective after being approved at the EGM in accordance with the Listing Rules. The Group currently does not intend to revise the Tycoon Products Caps in relation to the sales of the Tycoon Products by the Group to the CR Pharma Group approved at the April EGM.

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As set out in the Letter from the Board, as at the Latest Practicable Date, CR Pharmaceutical is the holding company of CR Retail, a substantial shareholder of the Company. Accordingly, CR Pharmaceutical and each of its subsidiaries is considered as a connected person of the Company under the Listing Rules and the transactions contemplated under the Master Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to rule 14A.54(1) of the Listing Rules, before an annual cap is exceeded or an issuer proposes to renew the agreement in respect of continuing connected transactions, the Company is required to re-comply with the relevant announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Revised Annual Caps exceeds 5% and is more than HK\$10 million, the Revised Annual Caps are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wong Yuk Woo Louis, Mr. Chung Siu Wah and Ms. Chan Ka Lai Vanessa, has been formed to advise the Independent Shareholders in respect of the terms and the Revised Annual Caps in relation to the Continuing Connected Transactions under the Master Sale and Purchase Agreement.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the counterparties of the Master Sale and Purchase Agreement or their respective core connected persons or associates. As at the Latest Practicable Date, save for (i) the appointment as the independent financial adviser in relation to the Master Sale and Purchase Agreement as defined and disclosed in the circular of the Company dated 25 March 2021 (the "**March Circular**"), and (ii) this appointment as the independent financial adviser in relation to the Revised Annual Caps for the Continuing Connected Transactions contemplated under the Master Sale and Purchase Agreement, we did not have any other relationship with or interests in the Company, the counterparties of each of the Master Sale and Purchase Agreement or their respective core connected persons or associates in the last two years. Apart from normal professional fees paid or payable to us in connection with the said appointments as the independent financial adviser, no other arrangements exist whereby we have received or will receive any fees or benefits from the Company or any other parties to the relevant transactions that could reasonably be regarded as relevant to our independence as defined under Rule 13.84 of the Listing Rules. Accordingly, we consider we are eligible to give independent advice on the Continuing Connected Transactions and the Revised Annual Caps.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

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The Directors have declared in a responsibility statement set out in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, CR Pharmaceutical or any of their respective subsidiaries or associates.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, our sole responsibility is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in respect of the Master Sale and Purchase Agreement, we have considered the following principal factors and reasons:

A. Background information of the Group and the CR Pharma Group

Information on the Group

The Group is principally engaged in the provision of proprietary Chinese medicine (PCM), health supplement, skin care, personal care and other healthcare products, predominately in Hong Kong.

Information on the CR Pharma Group

CR Pharmaceutical is a company listed on the Main Board of the Stock Exchange (stock code: 3320). The CR Pharma Group's core business encompasses research and development, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products. As at 31 December 2020, the CR Pharma Group operated one of the largest retail pharmacy networks in the PRC, comprising over 850 pharmacies under national or regional premium brands "CR Care (華潤堂)" and "Teck Soon Hong (德信行)".

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B. Reasons for and benefits of entering into the Master Sale and Purchase Agreement and the Revised Annual Caps

The Master Sale and Purchase Agreement

As stated in the letter from the board of the March Circular, CR Care has been a customer of the Group since 2015 and has remained one of the major customers of the Group. As the business relationship between the Group and the CR Pharma Group gets closer, the Group also wishes to purchase certain products from the CR Pharma Group to, among others, further diversify its product offerings and enjoy a more favourable payment terms offered by the CR Pharma Group as we understand from the management of the Company that the CR Pharma Group with its size, scale and reputation is in a better position to obtain the distribution rights and/or authorisations of more products and to bargain for a more competitive price and better credit term when sourcing the products. The Directors therefore believe that entering into the Master Sale and Purchase Agreement and purchasing CR Products from the CR Pharma Group will be beneficial to the Group.

The Revised Annual Caps

As set out in the Letter from the Board, it is expected that the Group will purchase certain New Products from the CR Pharma Group in addition to the Existing Product and other products pursuant to the Master Sale and Purchase Agreement. Based on the latest procurement and sales plans of the Group, it is expected that the Existing Annual Caps in relation to the purchase of CR Products by the Group from the CR Pharma Group will not be sufficient to keep up with the business growth of the Group. Hence, the Board has resolved to revise the Existing Annual Caps in relation to the purchase of CR Products by the Group from the CR Pharma Group to the Revised Annual Caps to facilitate such business growth. As the New Products are popular among local consumers and the PRC consumers, the Group believes the sourcing of the New Products in addition to the Existing Product and other products will further boost the business performance of the Group for the three years ending 31 December 2023. The Group currently does not intend to revise the Tycoon Products Caps in relation to the sales of the Tycoon Products by the Group to the CR Pharma Group approved at the April EGM.

As set out in the Letter from the Board, the involvement of the CR Pharma Group in the distribution of the New Products are considered as beneficial to the Group as by reason of the size, scale and reputation of the CR Pharma Group, in particular, its strong financial background and experience in offline distribution of PCM and health supplement products in the PRC, the Directors believe that, in this connection, the Group will be able to bargain more favourable terms with the brand owners and distributors for (i) the distribution rights and/or authorisations of the New Products; and (ii) the price and payments for sourcing of the New Products. As advised by the management of the Company, all the distribution agreements in respect of the New Products are entered into or are to be entered into with the respective brand owners or distributors on the basis that the CR Pharma Group would be one of the contracting parties and would be primarily responsible for placing orders and making payments for

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the New Products sourced. In consideration of the CR Pharma Group agreeing to such transaction arrangements and agreeing to grant the Group a credit period longer than those granted by the respective brand owners or distributors of the New Products under the distribution agreements, the Group shall make payment to the CR Pharma Group in respect of the New Products on a 'cost-plus' basis whereby the CR Pharma Group shall mark-up at a rate of approximately 1% on its cost of the New Products. Given the fact that (i) the terms of all the distribution agreements in respect of the New Products are negotiated with the respective brand owners or distributors on the basis that the CR Pharma Group would be one of the contracting parties, and the Group might not be able to secure such distribution agreement or enjoy such terms without the involvement of the CR Pharma Group; and (ii) the CR Pharma Group would grant an extended credit period on top of those offered by the respective brand owners, we concur with the view of the Directors that the arrangement in relation to the New Products with the involvement of the CR Pharma Group is fair and reasonable and in the interests of the Group and the Independent Shareholders as a whole.

Given the above and our analysis and view on the major terms of the said agreement (as elaborated below), we concur with the Directors' view that the entering into the Master Sale and Purchase Agreement and the Revised Annual Caps falls within the ordinary and usual course of business of the Group and is in the interests of the Group and the Independent Shareholders as a whole.

C. Major terms of the Master Sale and Purchase Agreement

On 8 February 2021, the Company and the CR Pharmaceutical entered into the Master Sale and Purchase Agreement for a term commencing on 8 February 2021 and ending on 31 December 2023, pursuant to which (i) the Group conditionally agrees to purchase and the CR Pharma Group conditionally agrees to sell the CR products; and (ii) the Group conditionally agrees to sell and the CR Pharma Group conditionally agrees to purchase the Tycoon Products. There is no overlapping of products in respect of the CR Products and the Tycoon Products as there is a term under the Master Sale and Purchase Agreement that the Group shall not re-sell the CR Products purchased to the CR Pharma Group and the CR Pharma Group shall not re-sell the Tycoon Products purchased to the Group. There is no minimum supply or purchase amount under the Master Sale and Purchase Agreement.

Pricing and payment terms

Pursuant to the Master Sale and Purchase Agreement, the prices, payment terms, quantities and detailed terms with respect to the CR Products or, as the case may be, the Tycoon Products shall be determined in accordance with the specific purchase orders to be agreed between the parties and shall be on normal commercial terms negotiated on an arm's length basis by the parties with reference to the prevailing market prices of the CR Products or, as the case may be, the Tycoon Products.

In determining the actual transaction prices and terms of the CR Products or, as the case may be, the Tycoon Products in respect of each specific purchase order, the CR Pharma Group or, as the case may be, the Group will take into account the then prevailing market price of such products, the volume of such products in the purchase

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order and (where applicable) the terms of supply between the CR Pharma Group or the Group and their respective suppliers (including, where applicable, the suggested retail price of such products from the suppliers).

In assessing whether the actual transaction prices and terms of the CR Products are reasonable and no less favourable to the Group than those offered by other independent third party suppliers, the Group will take into account (i) whether the products can be sourced from other independent suppliers; and (ii) if so, a minimum of two quotations (including prices and payment term) in respect of such products in such volume from other independent suppliers. The procurement supervisor of the Group will review the purchase price and payment terms of each relevant purchase order with reference to the factors above. Based on the current procurement plan of the Group, all CR Products to be purchased by the Group are available from other independent suppliers. In the event that there are certain CR Products the Group would like to purchase in future which are not available from other independent suppliers in Hong Kong, the Group will take into account (i) the potential profit margin for selling such products; (ii) the prices of other similar products in the market; and (iii) the popularity of such products among the end customers in assessing whether the price of such products as determined by the CR Pharma Group is reasonable and whether to source such products for distribution.

In assessing whether the actual transaction prices and terms of the Tycoon Products offered to the CR Pharma Group are no less favourable than the fair market prices and terms for such Tycoon Products or similar products offered by the Group to other independent purchasers, the relevant personnel of the Group will keep track of the transaction record on the sale of the relevant Tycoon Products or similar products to other independent customers.

Our work done

With respect to the sales of the Tycoon Products to the CR Pharma Group (the “**Revenue Transactions**”), we have discussed with the Company and understood that the Group has in place internal procedures to ensure the relevant Revenue Transactions as contemplated under the Master Sale and Purchase Agreement will be (i) conducted on normal commercial terms; (ii) negotiated on an arm’s length basis; and (iii) at prevailing market prices no less favourable to the relevant member(s) of the Group than those available to independent third parties. For the purpose of determining the prices of the Tycoon Products, the relevant sales department of the Group will compare the selling price offered to the CR Pharma Group and the independent third party customers in respect of a similar type of products with similar amount and similar specifications to ensure that the prices offered to the CR Pharma Group is no less favourable to the Group than those offered by the Group to independent third parties. We have obtained the three largest Revenue Transactions for the seven months ended 31 July 2021 from the Company and reviewed the transaction documents of the selected samples relating to these historical Revenue Transactions and those with independent third parties of the Group for the comparable transactions. Based on our

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review, we note that the selling prices of the Tycoon Products were at prevailing market prices no less favourable to the relevant member(s) of the Group than those offered to independent third parties.

With respect to the purchases of the CR Products from the CR Pharma Group (the “**Expenditure Transactions**”), we have discussed with the Company and understood that the Group has in place internal procedures to ensure that the relevant Expenditure Transactions as contemplated under the Master Sale and Purchase Agreement will be (i) conducted on normal commercial terms; (ii) negotiated on an arm’s length basis; and (iii) at prevailing market prices no less favourable to the relevant member(s) of the Group than those offered by independent third parties. For the purpose of determining the prices of the CR Products, the procurement supervisor of the Group will compare the purchase price and payment terms offered by the CR Pharma Group and the independent third party suppliers in respect of a similar type of products with similar amount and similar specifications to ensure that the prices and payment terms offered by the CR Pharma Group is no less favourable to the Group than those offered by independent third parties. Regarding the purchases of the CR Products by the Group from the CR Pharma Group, we have obtained and reviewed the transaction documents of three largest historical Expenditure Transactions for the seven months ended 31 July 2021 from the Company and those with independent third parties of the Group for the comparable transactions. Based on our review, we note that the purchase prices of the CR Products were at prevailing market prices no less favourable to the relevant member(s) of the Group than those offered by independent third parties.

Our view

Based on the above, we concur with the view of Directors that the terms of the Master Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and in the interests of the Group and the Independent Shareholders as a whole.

D. The Revised Annual Caps

The following table sets out the (i) purchases of the CR Products by the Group from the CR Pharma Group for each of the three years ended 31 December 2020 and the seven months ended 31 July 2021; (ii) the Existing Annual Caps for each of the three years ending 31 December 2023; and (iii) the proposed Revised Annual Caps for each of the three years ending 31 December 2023:

Historical transaction amounts	For the year ended 31 December			For the seven months ended 31 July
	2018	2019	2020	2021
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i> (unaudited)
Purchases of the CR Products from the CR Pharma Group	Nil	5,505	2,911	81,955

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	FY2021 <i>HK\$'000</i>	FY2022 <i>HK\$'000</i>	FY2023 <i>HK\$'000</i>
The Existing Annual Caps	300,000	360,000	432,000
The Revised Annual Caps	550,000	1,000,000	1,300,000

As stated in the Letter from the Board, at the time when determining the Existing Annual Caps in relation to the purchase of CR Products by the Group from the CR Pharma Group, it was expected that 90% of the CR Products to be purchased would be the Existing Product. However, as a matter of fact, for the seven months ended 31 July 2021, the total purchase of CR Products was approximately HK\$82 million, of which only HK\$26 million was for the Existing Product and HK\$56 million was for the New Product A. The total purchase of the Existing Product for the seven months ended 31 July 2021 was far below the original estimation when determining the Existing Annual Cap for FY2021 primarily due to (i) the cautious attitude of the Group in sourcing the Existing Product after taking into account the insufficiency of the Existing Annual Cap for FY2021 in light of the new development; and (ii) the relatively higher profit margin for the New Products as compared with the Existing Product.

In contemplation of the New Products which have relatively higher profit margin as compared with the Existing Product and the fact that the Group can always source the Existing Product from other independent third parties instead of the CR Pharma Group in the event the Group would like to distribute more of the Existing Product, the Group proposes to revise the Existing Annual Caps to the Revised Annual Caps to adjust the allocation of the annual caps so that more annual caps would be allocated to the higher profit margin New Products.

In assessing the fairness and reasonableness of the Revised Annual Caps, we have discussed with the management of the Company to understand the principal basis and assumptions in the determination of the Revised Annual Caps, and reviewed the calculations of the caps provided by the Company. The table below sets out the breakdown of the Revised Annual Caps based on the latest procurement and sales plan of the Group:

	FY2021 <i>HK\$'million</i>	FY2022 <i>HK\$'million</i>	FY2023 <i>HK\$'million</i>
Existing Product	87	180	216
New Product A	310	281	350
New Product B	–	80	110
New Product C	78	219	234
Others	<u>75</u>	<u>240</u>	<u>390</u>
	<u><u>550</u></u>	<u><u>1,000</u></u>	<u><u>1,300</u></u>

Note: the above Revised Annual Caps do not take into account the sales by Hong Kong CR Sanjiu to the Group pursuant to the NC Products Distributions Agreements, particulars of which were disclosed in the Prospectus of the Company dated 30 March 2020.

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Existing Product

The Existing Product is a third party brand medical ointment which is very popular among the PRC consumers. The Group has been selling the Existing Product via e-commerce portals. The management of the Group estimates that if not for the cautious approach adopted by the Group in light of the insufficiency of the Existing Annual Cap for FY2021, the purchase for the Existing Product would have been approximately HK\$12 million per month for FY2021 (i.e. HK\$150 million for FY2021).

In assessing the fairness and reasonableness of the assumption of the monthly purchase for the Existing Product of approximately HK\$12 million, we have obtained and reviewed the monthly purchase of the Existing Product of the Group, including those purchased from the CR Pharma Group and other suppliers, for the seven months ended 31 July 2021. From our review, we noted that the average monthly purchase amount of the Existing Product, including those purchased from the CR Pharma Group and other suppliers, during the seven months ended 31 July 2021 was approximately HK\$11.5 million with the highest purchase amount of approximately HK\$17.6 million in July 2021. Based on the historical purchase, we consider the assumed monthly purchase of the Existing Product of approximately HK\$12 million reasonable.

The proposed Revised Annual Caps for each of FY2022 and FY2023 is estimated to increase by 20% respectively as compared to the preceding year assuming the annual purchase for the Existing Product would ordinarily be approximately HK\$150 million for FY2021. Such growth rate was determined after taking in to account the inflation, organic business growth and market growth of the PRC healthcare industry. Taking into account our research on the healthcare industry and e-commerce industry in the PRC as set out in the paragraphs headed “(i) *Market outlook of the healthcare industry in the PRC*” and “(ii) *Market outlook of the e-commerce industry in the PRC*” below, we consider the growth rate of 20% reasonable.

We have also discussed with the management of the Company and understand that the lower purchase amounts of the Existing Product during the term of the Master Sale and Purchase Agreement as assumed in the Revised Annual Caps as compared to that previously assumed in the Existing Annual Caps was mainly due to the decision of the Group to adjust and allocate a higher proportion of the annual caps to more profitable products, being the New Products. We have reviewed the current estimation of the management of the Company for the profit margin of each of the Existing Product and the New Products and noted that the average expected profit margin of the New Products is higher than that of the Existing Product. Given the fact that the CR Pharma Group is not the sole supplier for the Existing Product and the Group could source the Existing Product from other independent third party suppliers, we concur with the Directors’ view that it is commercially reasonable to allocate a larger proportion of the annual caps to products with higher profitability.

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New Products

The table below sets out a brief description of the New Products:

New Product A	Certain third party brand probiotic products from the United States
New Product B	Certain third party brand skincare products from Australia which include face care products, hand care products and foot care products etc.
New Product C	Certain health supplement and personal care products from various third party brands which include vitamin and mineral supplement products, body care products and dental care products etc.

In relation to the purchase of each of the New Products, the proposed Revised Annual Cap for each of FY2021, FY2022 and FY2023 is estimated after taking into consideration of (i) the Target Purchase Amount in respect of each of such products as required by the respective brand owners; (ii) the expected rapid growth in sales in e-commerce; and (iii) the general inflation, organic business growth and market growth of the PRC healthcare industry.

In assessing the fairness and reasonableness of the estimated purchase amount of the New Products, we have discussed with the management of the Company to understand the consideration and assumptions of the Group in estimating the purchase amount of each of the New Products. We have obtained and reviewed (i) the latest draft distribution agreement to be entered into between a member of the Group, a member of the CR Pharma Group and the brand owner of the New Product A in relation to the granting of distribution rights of the New Product A in the territory of the PRC (the “**Draft New Product A Distribution Agreement**”); and (ii) the respective correspondences between the Group and the brand owner of the New Product B, and the distributor of the New Product C in which they negotiated the terms of the respective distribution agreement. From our review, we noted that the estimated purchase amounts (i) for the New Product A was determined by the Group based on the annual purchase target for each of the three years ending 31 December 2023 stipulated in the Draft New Product A Distribution Agreement; (ii) for the New Product B was determined after taking into account the annual purchase target for each of the three years ending 31 December 2023 suggested by the brand owner of the New Product B; and (iii) for the New Product C was determined after taking into account the expected annual purchase amount for each of the three years ending 31 December 2023 suggested by the downstream distributor of the New Product C.

The estimated purchase amount of the New Product A for FY2021 is the sum of historical purchase amount of approximately HK\$60 million for the seven months ended 31 July 2021 and the Target Purchase Amount for FY2021 of approximately HK\$250 million upon the entering into of the distribution agreement. The estimated purchase amounts for the New Product A for FY2022 and FY2023 are equivalent to the

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Target Purchase Amount for FY2022 and FY2023. The Target Purchase Amount for FY2022 represents a year-on-year increase of 12.4% as compared to that for FY2021. The Target Purchase Amount for FY2023 represents a year-on-year increase of 24.6% as compared to that for FY2022.

The estimated purchase amounts of the New Product B for FY2021 (upon the entering into the distribution agreement), FY2022 and FY2023 are equivalent to the Target Purchase Amount for the respective year. The estimated annual purchase amount is expected to increase significantly from approximately HK\$10 million for FY2021 by approximately HK\$70 million to approximately HK\$80 million for FY2022, and further increase by HK\$30 million to approximately HK\$110 million for FY2023. From our review of the underlying sales forecast of the New Product B, we noted that only one-third of the products under the brand of the New Product B is expected to be sold in the remaining period of FY2021 and the remaining two-third of the products under the brand of the New Product B is expected to be sold only in the second half of FY2022. We also noted that the Company plans to gradually expand the geographical coverage for the sale of New Product B to cover all provinces in the PRC by FY2023.

The estimated purchase amounts of the New Product C for FY2021 (upon the entering into the distribution agreement), FY2022 and FY2023 are equivalent to the expected purchase amount as indicated by the downstream distributor of the New Product C. Such amount is expected to increase from approximately HK\$78 million for FY2021 to approximately HK\$219 million for FY2022, representing an annualised increase of approximately 17.0%, and further increase to approximately HK\$234 million, by approximately 6.8%, for FY2023.

As set out in the Letter from the Board, the aforesaid year-on-year increase in the purchase amount of each of the New Products are largely based on (i) the Target Purchase Amount in respect of each of such products; (ii) the expected rapid growth in sales in e-commerce; and (iii) the general inflation, organic business growth and market growth of the PRC healthcare industry. We have discussed with the management of the Company and noted that they were of the view that the Target Purchase Amount for each of the New Products were achievable after taking into account the potential demand of the products, distribution network, and historical sales performance of the products.

Furthermore, as advised by the management of the Company, the Group currently relies mainly on the online sales channels for the sales in the PRC, in respect of the sales of the New Products, and the Group plans to gradually establish and expand the offline sales channels in the PRC to sell certain of the New Products. According to a market research, despite the rapid growth of the e-commerce market for pharmaceutical products, offline market for pharmaceutical products still accounts for over 80% of the overall pharmaceutical market in the PRC. The Directors are of the view that the Group would achieve year-on-year growth in the sales of the New Products by tapping into the offline sales channels in the PRC while continue to leverage on the e-commerce platforms. Taking into account our research on the healthcare industry and e-commerce industry in the PRC as set out in the paragraphs headed “(i) Market outlook of the healthcare industry in the PRC” and “(ii) Market outlook of the

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e-commerce industry in the PRC” below as well as the expansion plan of the Group in the offline sales channels in the PRC, we consider the year-on-year growth rate of each of the New Products reasonable.

Others

We understand from the management of the Company that, in determining the Revised Annual Caps, the Company has taken into account (i) a buffer for purchase amounts in respect of the New Products exceeding the Target Purchase Amount, and (ii) other potential products to be purchased by the Group from the CR Pharma Group during the term of the Master Sale and Purchase Agreement in view of the potential business growth and market growth of the PRC healthcare industry. We have conducted desktop research on (i) the market outlook of the PRC healthcare industry and (ii) the e-commerce industry in the PRC as detailed below.

(i) Market outlook of the healthcare industry in the PRC

According to the National Bureau of Statistics of the PRC, the total expenditure on health of the PRC grew from approximately RMB4,097.5 billion in 2015 to approximately RMB6,584.1 billion in 2019, representing a CAGR of approximately 12.6% during that period. The total expenditure on health of the PRC also grew from 5.95% of nominal GDP in 2015 to approximately 6.64% of nominal GDP in 2019. According to “Global Spending on Health: weathering the storm”, a report published by the World Health Organization in December 2020, the global spending on health was approximately US\$8.3 trillion in 2018, representing approximately 10% of global GDP. The total expenditure on health as percentage of GDP in the PRC is therefore still low as compared to other nations which indicates room for potential growth.

Growing population is another factor which may lead to an increase in demand for PCM, health supplement and healthcare products. According to the National Bureau of Statistics of the PRC, the population of the PRC increased from approximately 1.37 billion in 2014 to approximately 1.40 billion in 2019, representing a CAGR of approximately 0.4% during that period. In addition, with the abolishment of the one-child policy and the launch of the three-child policy in the PRC, the demand for PCM, health supplement and healthcare products are likely to continue to grow in the future. According to the National Bureau of Statistics of the PRC, the average spending on medical and health per citizen in the PRC increased from approximately RMB1,165 in 2015 to approximately RMB1,843 in 2020, representing a five-year CAGR of approximately 9.6%.

(ii) Market outlook of the e-commerce industry in the PRC

According to the National Bureau of Statistics of the PRC, the total online retail sales of physical goods in the PRC grew from approximately RMB4,194.4 billion in 2016 to approximately RMB9,759.0 billion in 2020, representing a CAGR of approximately 23.5% during that period. According to a press release published by the United Nations Conference on Trade and Development in April

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2020, the value of global business-to-consumer e-commerce was US\$4.4 trillion in 2018, representing an increase of 7% over 2017. China was the top country by business-to-consumer sales and had the largest number of online shoppers at 610 million in 2018. Consumption is expected to continue shifting from offline to online and online shopping penetration rate is expected to increase, which is underpinned by a shift of consumption habits, more developed logistics infrastructure for delivery, a better regulated online transaction environment and continuous marketing efforts of e-commerce companies.

Taking into account the growing population, the increasing demand for medical and health products and the growing popularity of e-commerce, we consider the estimated growth for the Existing Product and the New Products and the buffer for potential growth and potential new products to be purchased in the Revised Annual Caps are reasonable.

Our view

Based on the aforesaid, we concur with the view of the Directors that the Revised Annual Caps under the Master Sale and Purchase Agreement are fair and reasonable so far as the Group and the Independent Shareholders are concerned and in the interests of the Group and the Independent Shareholders as a whole.

E. Requirements by the Listing Rules regarding the Continuing Connected Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Continuing Connected Transactions contemplated under the Master Sale and Purchase Agreement are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts that they have been entered into:
 - in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming whether anything has come to their attention that causes them to believe that the Continuing Connected Transactions:
 - have not been approved by the Board;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- were not, in all material respects, in accordance with the pricing policies of the Group if the Continuing Connected Transactions involve the provision of goods or services by the Group;
 - were not entered into, in all material respects, in accordance with the terms of the relevant agreement(s) governing the Continuing Connected Transactions; and
 - have exceeded the annual caps.
- (c) the Company must allow, and ensure that the relevant counter parties to the Continuing Connected Transactions allow, the Company's auditors sufficient access to their records for the purpose of reporting on the Continuing Connected Transactions.
- (d) the Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if the independent non-executive Directors and/or the auditors of the Company cannot confirm the matters set out in paragraphs (a) and/or (b) above, respectively. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

As advised by the management of the Company, the Company will continue to adhere to the internal control policies in place to ensure the Continuing Connected Transactions are conducted in accordance with the terms of the Master Sale and Purchase Agreement, on normal commercial terms, in accordance with the pricing policies and not exceeding the approved annual caps.

In light of the review and reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of transaction value by way of the annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the Continuing Connected Transactions and the annual caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Continuing Connected Transactions and safeguard the interests of the Company and the Independent Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the Master Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Group and the Independent Shareholders as a whole, and the terms thereof as well as the Revised Annual Caps are fair and reasonable so far as the Group and the Independent Shareholders are concerned and are in the interests of the Group and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Revised Annual Caps in relation to the transactions under the Master Sale and Purchase Agreement.

Yours faithfully,
For and on behalf of
Ballas Capital Limited

Cathy Leung **Carmen Lin**
Director *Vice President*

Note: Ms. Cathy Leung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2019, and Ms. Carmen Lin has been a licensed representative of Type 6 (advising on corporate finance) regulated activities since 2017.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares or Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO, which were required: (a) 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); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (“**Model Code**”), were as follows:

(i) Interests in the Shares or underlying Shares of the Company

Name of director	Capacity/ Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Wong Ka Chun	Interest in controlled	448,096,326(L)	56.01%
Michael ^{(2), (3)}	corporation	200,000,000(S)	25.00%

Notes:

- (1) The letter “L” denotes the Director’s long position in such Shares and the letter “S” denotes the Director’s short position in such Shares.
- (2) The 448,096,326 Shares and the short position in the 200,000,000 Shares are registered in the name of Tycoon Empire Investment Limited (“**Tycoon Empire**”), a company wholly owned by Mr. Wong Ka Chun Michael. By virtue of the provisions of Part XV of the SFO, Mr. Wong Ka Chun Michael is deemed to be interested in all the Shares held by Tycoon Empire.
- (3) The 200,000,000 Shares are charged by way of a share charge (“**Share Charge**”) by Tycoon Empire in favour of CR Retail as security for the performance by Tycoon Empire and Mr. Wong Ka Chun Michael of their obligations under the shareholders agreement dated 19 February 2019 entered into among Tycoon Empire, Mr. Wong Ka Chun Michael, CR Retail and the Company (“**Pre-IPO Shareholders Agreement**”). On 18 June 2021, the parties to the Share Charge released the Share Charge and entered into a new share charge, pursuant to

which such new share charge shall be effective until 30 June 2024 with all other material terms remain unchanged. For details, please refer to the Prospectus and the announcement of the Company dated 18 June 2021.

(ii) Interests in shares of the associated corporation of the Company

Name of director	Name of associated corporation	Capacity / Nature of Interest	Number of Shares⁽¹⁾	Approximate percentage of shareholding
Wong Ka Chun Michael ⁽²⁾	Tycoon Empire	Beneficial owner	1(L)	100%

Notes:

- (1) The letter “L” denotes the Director’s long position in such share.
- (2) Mr. Wong Ka Chun Michael directly owns 100% of the issued share capital of Tycoon Empire.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had 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), which were required: (a) 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 he/she was taken or deemed to have under such provisions of the SFO), (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Save that each of Mr. Yao Qingqi and Ms. Chong Yah Lien, each a non-executive Director, is a director of CR Retail, as at the Latest Practicable Date, none of the Directors were a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS’ COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or their respective associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules, if the Directors were controlling Shareholders.

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group. As at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Company were made up.

6. NO MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, they are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

7. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert who has given opinions or advice which is contained or mentioned in this circular:

Name	Qualification
Ballas Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under SFO

The letter from the Independent Financial Adviser is given as of the date of this circular for incorporation herein.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it appears.

The Independent Financial Adviser has confirmed that as at the Latest Practicable Date,

- (a) it was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) it did not directly or indirectly, have any interest in any assets which had since 31 December 2020 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The Company's head office and principal place of business in Hong Kong is situated at Room 14, 8/F, Wah Wai Centre, 38-40 Au Pui Wan Street, Shatin, New Territories, Hong Kong.
- (c) The company secretary of the Company is Mr. Cheung Yuk Chuen, an associate of the Hong Kong Institute of Certified Public Accounts and a fellow member of the Association of Chartered Certified Accountants.
- (d) The Company's share registrar and transfer office in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in the event of conflict or inconsistency between the two.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (save for Saturdays, Sundays and public holidays) at the office of the Company in Hong Kong at Room 14, 8/F, Wah Wai Centre, 38-40 Au Pui Wan Street, Shatin, New Territories, Hong Kong from the date of this circular, up to and including the date of the EGM:

- (a) the Master Sale and Purchase Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out in this circular; and
- (d) the written consent referred to in paragraph headed "Qualification and Consent of Expert" of this appendix.

NOTICE OF EGM



Tycoon Group Holdings Limited **滿貫集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3390)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of Tycoon Group Holdings Limited (“**Company**”) will be held at Commons Workshop, 28/F, Sunshine Plaza, 353 Lockhart Road, Wan Chai, Hong Kong on Friday, 15 October 2021 at 10 a.m., to consider and, if thought fit, pass the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (A) the Revised Annual Caps (as defined in the circular of the Company dated 28 September 2021 (“**Circular**”), a copy of which is marked “A” and initialled by the chairman of the meeting for identification purpose and has been tabled at the meeting) be and are hereby approved; and
- (B) the directors of the Company or a committee thereof be and are/is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Revised Annual Caps.”

On behalf of the Board
Tycoon Group Holdings Limited
Wong Ka Chun Michael
Chairman, Executive Director
and Chief Executive Officer

Hong Kong, 28 September 2021

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Room 14, 8/F
Wah Wai Centre
38-40 Au Pui Wan Street
Shatin, New Territories
Hong Kong

NOTICE OF EGM

As at the date of this notice, the Board comprises one executive Director, namely Mr. Wong Ka Chun Michael; four non-executive Directors, namely Mr. Yao Qingqi, Ms. Chong Yah Lien, Ms. Li Ka Wa Helen and Mr. Lau Ka On David; and three independent non-executive Directors, namely Mr. Wong Yuk Woo Louis, Mr. Chung Siu Wah and Ms. Chan Ka Lai Vanessa.

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. Any member of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares of the Company in respect of which each such proxy is so appointed.
2. A proxy form is enclosed with this circular. To be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 10 a.m. on Wednesday, 13 October 2021 or not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude a member from attending and voting in person at the EGM.
3. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the EGM 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, and 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.
4. Pursuant to Rule 13.39(4) of the Listing Rules, any votes of shareholders at a general meeting must be taken by poll (except for those relating purely to a procedural or administrative matter which may be voted on by a show of hands). Therefore, the ordinary resolution to be proposed at the EGM shall be voted by poll.
5. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 14 October 2021 to Friday, 15 October 2021, both days inclusive, during which period no transfers of shares will be effected. In order to be entitled to attend the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 13 October 2021.