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

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

If you have sold or transferred all your shares in ALTUS HOLDINGS LIMITED (the “Company”), you should at once hand this circular with the enclosed form of proxy 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 the transferee.

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*This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*

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# ALTUS ALTUS HOLDINGS LIMITED

## 浩德控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8149)

### GRANT OF SHARE AWARDS TO SELECTED EMPLOYEES; CONNECTED TRANSACTIONS GRANTS OF SHARE AWARDS TO CONNECTED PERSONS; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



A letter from the Board (as defined herein) is set out on pages 5 to 19 of this circular. A letter from the Independent Board Committee (as defined herein) containing its advice to the Independent Shareholders (as defined herein) is set out on page 20 of this circular. A letter from Honestum International Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 39 of this circular.

A notice convening the EGM (as defined herein) to be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong at 10:00 a.m. on Monday, 8 August 2022 or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, is set out on pages 46 to 48 of this circular.

A form of proxy for use by the Independent Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM 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 EGM or any adjournment thereof (as the case may be) should you so desire.

*This circular will remain on the “Latest Company Announcements” page of GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company’s website at [www.altus.com.hk](http://www.altus.com.hk).*

#### PRECAUTIONARY MEASURES FOR THE EGM

In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of the Shareholders, the Company will implement the following precautionary measures at the EGM:

- compulsory body temperature checks
- compulsory wearing of surgical face masks
- no provision of refreshments and corporate gifts

Any person who does not comply with the precautionary measures will be denied entry into the EGM venue. All attendees must wear surgical face masks at all times at the EGM venue. Shareholders are encouraged to exercise their voting rights at the EGM by appointing the chairman of the EGM as proxy to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.

22 July 2022

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## PRECAUTIONARY MEASURES FOR THE EGM

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In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders (as defined in this circular), staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attending Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person found to be suffering from a fever or otherwise unwell will be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) Shareholders that (a) are, and have been, in close contact with any person who is subject to any Hong Kong Government prescribed compulsory quarantine (including home quarantine); or (b) have any flu-like symptoms, may be denied entry into the EGM venue and be asked to leave the EGM venue.
- (iii) All attendees must wear surgical face masks at the EGM venue at all times, and to maintain a safe distance with other attendees. Any person who does not comply with this requirement may be denied entry into the EGM venue and be asked to leave the venue. Please note that no masks will be provided at the EGM venue and attendees should wear their own masks.
- (iv) No refreshments and corporate gifts will be provided.

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and in response to the recent guidelines on prevention and control of COVID-19 pandemic, Shareholders are reminded that **physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by completing form of proxy in accordance with the instructions printed thereon, Shareholders may appoint the chairman of the EGM as proxy to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.**

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## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associates”	has the meaning ascribed to such term in the GEM Listing Rules
“Altus Capital”	Altus Capital Limited, one of the wholly-owned subsidiary of the Group, which provides corporate finance services
“Awarded Shares”	the Shares to be allotted and issued by the Company to the Grantees pursuant to the Share Awards
“Board”	the board of Directors
“Company”	Altus Holdings Limited 浩德控股有限公司, a company incorporated in the Cayman Islands as an exempted limited liability company, the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8149)
“Connected Grant”	the conditional grant of Awarded Shares to connected person(s)
“Connected Grants Specific Mandate”	the specific mandate in respect of the allotment and issue of Awarded Shares to Ms. Khoo and Mr. Tam
“connected person(s)”	has the meaning ascribed to under the GEM Listing Rules
“Deeds”	the deeds of grant dated 4 January 2022 and 30 June 2022 respectively entered into between the Company and each of the Grantee(s) who are Ms. Khoo, Mr. Tam and other selected employees of the Group
“Director(s)”	director(s) of the Company
“Duration”	the period whereby the Share Awards shall be valid and effective with effect from the Effective Date until the earlier of 31 December 2023 or such date of early termination as may be determined by the Board

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## DEFINITIONS

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“Effective Date”	the date on which the Share Awards become unconditional upon the fulfilment of the conditions set out in the deeds of grant
“EGM”	the extraordinary general meeting of the Company to be convened and held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong at 10:00 a.m. on Monday, 8 August 2022 or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, to consider and, if appropriate, to approve the resolutions contained in the EGM Notice which is set out on pages 46 to 48 of this circular, or any adjournment thereof
“EGM Notice”	the notice convening the EGM as set out on pages 46 to 48 of this circular
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Grant to Selected Employees”	the conditional grant of Awarded Shares to the Selected Employees
“Grantee(s)”	the party(ies) being granted with the Share Awards by the Company under the deeds of grant
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollar, being the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, namely Mr. Chao Tien Yo, Mr. Chan Sun Kwong and Mr. Lee Shu Yin, established for the purpose of advising the Independent Shareholders in respect of the Connected Grant and the Connected Grant Specific Mandate

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## DEFINITIONS

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“Independent Financial Adviser” or “Honestum”	Honestum International Limited, a licensed corporation permitted to engage in Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Connected Grants and the Connected Grants Specific Mandate
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the resolutions to be proposed at the EGM under the Articles of Association and the GEM Listing Rules
“Independent Third Parties”	persons or entities who/which are independent of and not connected with (within the meaning of the GEM Listing Rules) the Company
“Issue Dates”	the dates of allotment and issue of the Awarded Shares
“January 2022 Share Awards”	the previous share awards where three of the selected employees were granted 300,000 Shares in aggregate
“January 2022 Share Awards Announcement”	an announcement dated 4 January 2022 issued by the Company in relation to the grant of Share Awards to the then Selected Employees
“Lapse”	the event where the entitlement to any Awarded Shares, to the extent not already vested, is lapsed
“Latest Practicable Date”	20 July 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Mr. Tam”	Mr. Tam Leo Ho Kei, an executive director of a wholly-owned subsidiary of the Group and a Grantee
“Ms. Khoo”	Ms. Khoo Wing Pui Charlotte, an executive director of a wholly-owned subsidiary of the Group and a Grantee
“Selected Employees”	selected employees of the Group who are Independent Third Parties
“Selected Employees Specific Mandate”	the specific mandate in respect of the allotment and issue of Awarded Shares to Selected Employees

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Share Awards”	the award of the Awarded Shares pursuant to the deeds of grant
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares in the share capital of the Company with a nominal value of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vesting Date(s)”	the specific date(s) set out in the deeds of grant on which the Share Awards shall be vested
“2018 Share Awards”	the previous share awards where Ms. Khoo and Mr. Tam were granted 4,800,000 Shares in aggregate
“2018 Share Awards Circular”	the circular of the Company dated 20 July 2018 relating to the 2018 Share Awards
“2019 Share Awards”	the previous share awards where Ms. Khoo, Mr. Tam and seven of the selected employees were granted 1,940,000 Shares in aggregate
“2019 Share Awards Circular”	the circular of the Company dated 22 July 2019 relating to the 2019 Share Awards
“2020 Share Awards”	the previous share awards where Ms. Khoo, Mr. Tam and 11 of the selected employees were granted 3,830,000 Shares in aggregate
“2020 Share Awards Circular”	the circular of the Company dated 23 July 2020 relating to the 2020 Share Awards
“2021 Share Awards”	the previous share awards where Ms Khoo, Mr Tam and 16 of the selected employees were granted 3,930,000 shares in aggregate
“2021 Share Awards Circular”	the circular of the company dated 22 July 2021 relating to the 2021 Share Awards
“%”	per cent.



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LETTER FROM THE BOARD

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ALTUS  
ALTUS HOLDINGS LIMITED  
浩德控股有限公司

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8149)

*Executive Directors:*

Mr. Arnold Ip Tin Chee (*Chairman*)

Mr. Chang Sean Pey

Ms. Leung Churk Yin Jeanny

*Independent non-executive Directors:*

Mr. Chao Tien Yo

Mr. Chan Sun Kwong

Mr. Lee Shu Yin

*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:*

21 Wing Wo Street

Central

Hong Kong

22 July 2022

*To the Shareholders*

Dear Sir/Madam,

**GRANT OF SHARE AWARDS TO SELECTED EMPLOYEES  
AND  
CONNECTED TRANSACTIONS  
GRANTS OF SHARE AWARDS TO CONNECTED PERSONS**

**INTRODUCTION**

On 27 June 2022, the Board had resolved to award conditionally an aggregate of 5,440,000 Awarded Shares to 12 Grantees at nil consideration for the purposes of recognising and rewarding their contributions, as well as retaining and motivating them for the continual operation and development of the Group.

Two Grantees are executive directors of a wholly-owned subsidiary of the Group, and are therefore connected persons of the Company at subsidiary level. Accordingly, such Connected Grants constitute non-exempt connected transactions under the GEM Listing Rules and are subject to reporting, announcement, independent financial advice and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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The Awarded Shares will be issued and allotted to the Grantees pursuant to specific mandates under Rule 17.39(1) of the GEM Listing Rules, where (i) an aggregate of 3,520,000 Awarded Shares have conditionally been awarded to 10 Grantees who are Independent Third Parties; and (ii) an aggregate of 1,920,000 Awarded Shares have conditionally been awarded to two connected persons, being Ms. Khoo and Mr. Tam, who are executive directors of a wholly-owned subsidiary of the Group.

In addition to the above, with reference to the January 2022 Share Awards Announcement, the Board had also previously resolved to conditionally award an aggregate of up to 300,000 Awarded Shares, credited as fully paid at a price of HK\$0.01 each, as an incentive bonus to three employees of the Group who are not connected persons of the Company or associates of connected persons of the Company, for the same purposes as mentioned above.

Based on the above, the grant of Awarded Shares in January 2022 and June 2022 (all being Independent Third Parties) will be conditional upon, among other things, the approval of the Selected Employees Specific Mandate by the Shareholders at the EGM.

The grants in June 2022 to Mr. Tam and Ms. Khoo will be conditional upon, among other things, the approval of the Connected Grants and the Connected Grants Specific Mandate by the Independent Shareholders at the EGM.

The Awarded Shares in January 2022 and June 2022 to Selected Employees (all being Independent Third Parties) will be issued under the Selected Employees Specific Mandate while the Awarded Shares under the Connected Grants will be issued under the Connected Grants Specific Mandate.

The grant of Share Awards is not pursuant to a share option scheme under Chapter 23 of the GEM Listing Rules. None of the Directors has a material interest in such Share Awards and therefore no Director was required to abstain from voting on the board resolutions approving (i) the Grant to Selected Employees and the Selected Employees Specific Mandate; and (ii) the Connected Grants and the Connected Grants Specific Mandate. As far as the Directors are aware, as at the Latest Practicable Date, Ms. Khoo and Mr. Tam held 3,900,000 and 3,750,000 Shares respectively, and are required to abstain from voting on the resolution for the approval of Connected Grants and Connected Grants Specific Mandate. The relevant Selected Employees granted with the Share Awards in January 2022 and June 2022 held in aggregate 2,630,000 Shares as at the Latest Practicable Date and elected to abstain from voting on the resolution for the approval of the Selected Employees Specific Mandate at the EGM. Save as disclosed above, no Shareholder is required to abstain from voting on the resolutions for the approval of the Selected Employees Specific Mandate, Connected Grants and Connected Grants Specific Mandate at the EGM. If Ms. Khoo, Mr. Tam or any Selected Employees subsequently hold Shares at the date of the EGM, he/she shall abstain from voting on the relevant resolutions at the EGM.

The Company's remuneration committee has been established to review and make recommendation to the Board on remuneration packages of employees. With respect to the Connected Grants, the remuneration committee has conducted detailed assessments by, inter alia, (i) reviewing and discussing whether the remuneration packages of the relevant Grantees (including base salary, discretionary bonus and proposed grant of Awarded Shares) are in line with the market based on their roles and responsibilities, as well as the Grantees' performance;

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## LETTER FROM THE BOARD

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(ii) comparing the Grantees' remuneration packages with those offered to them in the previous year; and (iii) comparing the number of Awarded Shares under the Connected Grants relative to the aggregate Awarded Shares granted to all Grantees.

The Board and the remuneration committee have considered each of the current remuneration package of Ms. Khoo and Mr. Tam on a whole. Qualitatively, the Board and the remuneration committee have taking into account factors such as the responsibilities and contributions of Ms. Khoo and Mr. Tam and the need to provide incentives to retain their services. Quantitatively, the Board and the remuneration committee have considered (i) the current remuneration packages (excluding their respective 960,000 Awarded Shares under the Connected Grants) of Ms. Khoo and Mr. Tam compared with their previous financial year's packages which have largely remained at similar levels; (ii) the fact that Ms. Khoo and Mr. Tam's aforesaid remuneration packages are at the lower end of market range of remuneration of HK\$1.3 million to HK\$2.0 million for positions of similar job scope and experience as Ms. Khoo and Mr. Tam based on feedback from recruitment agencies; (iii) the Group's overall financial performance where in particular, performance of corporate finance and other consultancy services had remained stable despite challenging market conditions, due partly to efforts and contributions of Ms. Khoo and Mr. Tam; and (iv) the cash flow impact of rewarding Ms. Khoo and Mr. Tam by cash compared with granting them the Awarded Shares, as the Group's operating cash flow in the recent financial year had decreased compared with the previous financial year, and it is advantageous for the Group to conserve its cash flow.

The Board and the remuneration committee have considered each of the current remuneration package of the Selected Employees on a whole. Qualitatively, the Board and the remuneration committee have taking into account factors such as the responsibilities and contributions of the Selected Employees and the need to provide incentives to retain their services. Quantitatively, the Board and the remuneration committee have considered the current remuneration packages (excluding their respective Awarded Shares under the Grant to Selected Employees) of the Selected Employees compared with their previous financial year's packages, market range of remuneration for positions of similar job scope and experience, the Group's overall financial performance, as well as the cash flow impact of rewarding them by cash compared with granting them the Awarded Shares as explained in the paragraph above.

Based on the above, upon reviewing the details of each of the Connected Grants, the remuneration committee considers that the Connected Grants are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

The Independent Board Committee has been established to advise Independent Shareholders on the resolution to be proposed at the EGM in connection with the Connected Grants and the Connected Grants Specific Mandate. Honestum has been appointed by the Company as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the above matters.

The purpose of this circular is to provide you with details of the Share Awards, the Selected Employees Specific Mandate, the Connected Grants and the Connected Grants Specific Mandate and to seek your approval of the ordinary resolutions set out in the EGM Notice on pages 46 to 48 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Connected Grants and the Connected Grants Specific Mandate is set out on page 20 of this circular. The letter from Honestum to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the Connected Grants and the Connected Grants Specific Mandate is set out on pages 21 to 39 of this circular.

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## LETTER FROM THE BOARD

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### SHARE AWARDS

Set out below are the particulars of the deeds of grant of the Share Awards in January 2022 and June 2022:

#### 1. Date and parties to the deeds of grant

<p>Date: On or before 6 January 2022</p> <p><i>Grant to Selected Employees</i></p> <p>Parties: The Company, as grantor</p> <p>The three Selected Employees, as grantee(s)</p> <p>Apart from the fact that they are employees, these Selected Employees are Independent Third Parties.</p>	<p>Date: On or before 30 June 2022</p> <p><i>Grant to Selected Employees</i></p> <p>Parties: The Company, as grantor</p> <p>The 10 Selected Employees, as grantee(s)</p> <p>Apart from the fact that they are employees, these Selected Employees are Independent Third Parties.</p> <p><i>Connected Grants</i></p> <p>Parties: The Company, as grantor</p> <p>Ms. Khoo, who is an executive director of a wholly-owned subsidiary of the Group, and therefore a connected person of the Company at the subsidiary level, as grantee of 960,000 Awarded Shares</p> <p>Mr. Tam, who is an executive director of a wholly-owned subsidiary of the Group with effect from 23 June 2021, and therefore a connected person of the Company at the subsidiary level, as grantee of 960,000 Awarded Shares</p>
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As Ms. Khoo and Mr Tam are connected persons of the Company at the subsidiary level, the conditional grants to Ms. Khoo and Mr. Tam in June 2022 constitute non-exempt connected transactions and are subject to reporting, announcement, independent financial advice and independent shareholders' approval requirements under the GEM Listing Rules.

## LETTER FROM THE BOARD

Ms. Khoo and Mr. Tam had previously been granted an aggregate of 5,470,000 Awarded Shares and 4,510,000 Awarded Shares, respectively, under the 2018 Share Awards, 2019 Share Awards, 2020 Share Awards and 2021 Share Awards. The details of their Connected Grants and the Share Awards are set out below:

Share Awards granted to Ms. Khoo in relation to:	Date of grant	Total Awarded Shares	Vesting date as at				Vesting date as at				Total number of Share Awards outstanding as at the Latest Practicable Date
			2019	2020	30 September 2021	31 December 2021	2021	30 September 2022	31 December 2022	31 December 2023	
			31 December	31 December	30 September	31 December	31 December	30 September	31 December	31 December	
The Connected Grants	30 June 2022	960,000	-	-	-	-	-	160,000	320,000	480,000	960,000
The 2021 Share Awards	29 June 2021	720,000	-	-	90,000	180,000	-	-	450,000	-	450,000
The 2020 Share Awards	26 June 2020	1,600,000	-	-	-	480,000	-	-	1,120,000	-	1,120,000
The 2019 Share Awards	3 July 2019	750,000	-	750,000	-	-	-	-	-	-	-
The 2018 Share Awards	25 June 2018	2,400,000	1,120,000	640,000	-	640,000	-	-	-	-	-
		6,430,000	1,120,000	1,390,000	90,000	1,300,000	3,900,000	160,000	1,890,000	480,000	2,530,000

**LETTER FROM THE BOARD**

Share Awards granted to Mr. Tam in relation to:	Date of grant	Total Awarded Shares	Vesting date as at				Total number of Share Awards vested and issued as at the Latest Practicable Date	Vesting date as at				Total number of Share Awards outstanding as at the Latest Practicable Date
			31 December 2019	30 September 2020	31 December 2021	30 September 2021		31 December 2021	30 September 2022	31 December 2022	31 December 2023	
The Connected Grants	30 June 2022	960,000	-	-	-	-	-	160,000	320,000	480,000	960,000	
The 2021 Share Awards	29 June 2021	540,000	-	-	90,000	-	90,000	-	450,000	-	450,000	
The 2021 Share Awards	4 January 2021	180,000	-	-	-	180,000	180,000	-	-	-	-	
The 2020 Share Awards	26 June 2020	940,000	-	-	-	300,000	300,000	-	640,000	-	640,000	
The 2019 Share Awards	3 July 2019	450,000	-	450,000	-	-	450,000	-	-	-	-	
The 2018 Share Awards	25 June 2018	2,400,000	1,120,000	640,000	-	640,000	2,400,000	-	-	-	-	
		5,470,000	1,120,000	1,090,000	90,000	1,120,000	3,420,000	160,000	1,410,000	480,000	2,050,000	

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## LETTER FROM THE BOARD

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Details of the Grant to Selected Employees are as follows:

	<b>Job functions</b>	<b>Total Awarded Shares under the Grants to Selected Employees in January and June 2022</b>
Employee A	Provision of administrative support	480,000
Employee B	Provision of administrative support	320,000
Employee C	Provision of administrative support	160,000
Employee D	Provision of administrative support	160,000
Employee E	Provision of administrative support	320,000
Employee F	Provision of administrative support	320,000
Employee G	Provision of administrative support	320,000
Employee H	Provision of advisory service	580,000 <sup>(Note)</sup>
Employee I	Provision of advisory service	480,000
Employee J	Provision of advisory service	560,000 <sup>(Note)</sup>
Employee K	Provision of advisory service	120,000
	<b>Total</b>	<b>3,820,000</b>

*Note:* includes both Grants to Selected Employees in January and June 2022

## 2. Information on the Connected Grantees

The information in relation to Ms. Khoo and Mr. Tam are set out below:

(i) Ms. Khoo

Ms. Khoo joined the Group in September 2011 and currently serves as our Group Senior Manager and executive director of Altus Capital. Alongside her responsibility and contributions as Altus Capital's principal for sponsorships and responsible officer for Type 6 (advising on corporate finance) regulated activity, which involve supervising and leading the execution of corporate finance and other consultancy projects, clients' relationship management and project origination, she is also responsible for and has contributed to talent cultivation, business development and continuous enhancement of our practices and processes.

(ii) Mr. Tam

Mr. Tam joined the Group in October 2014 and currently serves as an executive director of Altus Capital. Mr. Tam is responsible for and has contributed to the provision of corporate finance and other consultancy services to our clients. He oversees the day-to-day execution work of transaction teams. In addition, he is also a member of (i) the investment committee on the implementation of our investment strategy, the ongoing monitoring and review of our investment portfolio; and (ii) the executive management with regards to internal control matters.

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## LETTER FROM THE BOARD

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### 3. Purpose

The Share Awards have been granted to recognise and reward the contributions made by the Grantees and to retain and motivate them for the continual operation and development of the Group.

### 4. Duration

The Share Awards shall be valid and effective for the period from the date the Share Awards become unconditional until the termination date which is the earlier of the Duration. Termination shall not affect any subsisting rights of the Grantees under the Share Awards save as mentioned in paragraph 9 below.

### 5. Administration

The Share Awards shall be subject to the administration of the Board. The Company shall comply with all applicable disclosure requirements in relation to the administration of the Share Awards, including without limitation to those imposed by the GEM Listing Rules from time to time.

### 6. Conditions

The Share Awards under the Grant to Selected Employees are conditional upon (i) the Company having obtained from the Stock Exchange a grant of the listing of, and permission to deal in, the Awarded Shares; (ii) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Selected Employees Specific Mandate; and (iii) the relevant Grantees having obtained all necessary consents and approvals that may be required to enable him/her to accept the Share Awards. If these conditions are not satisfied on or before 31 December 2022, the Share Awards under the Grant to Selected Employees shall forthwith be terminated and the relevant Grantees shall not be entitled to any rights or benefits or be under any obligations under or in respect of the Share Awards.

The respective Share Awards under the Connected Grants to Ms. Khoo and Mr. Tam are conditional upon (i) the Company having obtained from the Stock Exchange a grant of the listing of, and permission to deal in, the Awarded Shares; (ii) approval of the Connected Grants and the Connected Grants Specific Mandate by the Independent Shareholders at the EGM; and (iii) Ms. Khoo and Mr. Tam having obtained all necessary consents and approvals that may be required to enable her/him to accept the respective Share Award. If these conditions are not satisfied on or before 31 December 2022, the respective Share Awards under the Connected Grants shall forthwith be terminated, and Ms. Khoo and Mr. Tam shall not be entitled to any rights or benefits or be under any obligations under or in respect of the Share Awards.

At the time of preparing the Connected Grants and the Grant to Selected Employees, the Company took a conservative view on the duration that may be required to prepare/process the subject matter and, has therefore built in ample time for the satisfaction of the conditions precedent up to 31 December 2022. As the EGM is expected to be convened on 8 August 2022, the conditions precedent are anticipated to be satisfied within one month after passing the relevant resolutions at the EGM.



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## LETTER FROM THE BOARD

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### 7. Vesting and allotment of Shares

Upon vesting, the Grantees will have an unconditional right to obtain the Awarded Shares. There are no clawback mechanism or performance targets for the grant of Awarded Shares as the objective of the Share Awards is to recognise and reward the Grantees' past contribution while serving the purpose of staff retention.

For the deed of the Connected Grant dated on or before 30 June 2022 in relation to each of Ms. Khoo and Mr. Tam, the vesting of the 160,000, 320,000 and 480,000 Awarded Shares to each of Ms. Khoo and Mr Tam will take place on 30 September 2022, 31 December 2022 and 31 December 2023 respectively. The aforesaid vesting, which takes place in stages over time is consistent with the objective of the Share Awards of staff retention and motivation.

Based on the above, the remuneration committee holds the view that it is not necessary to have clawback mechanism or performance targets, and the vesting periods are fair and reasonable and consistent with the objectives of the Share Awards.

For the 10 Deeds all dated on or before 30 June 2022 entered into with the Selected Employees of the Group, the vesting of the 720,000, 1,040,000, 1,760,000 Awarded Shares to the 10 Selected Employees of the Group will take place on 30 September 2022, 31 December 2022 and 31 December 2023 respectively.

For the three Deeds all dated 4 January 2022 entered into with the Selected Employees of the Group, the vesting of the 300,000 Awarded Shares to the three Selected Employees of the Group will take place on 30 September 2022.

The Grantees shall take procedures reasonably required by the Company to effect the allotment and issue of the Awarded Shares. The Company shall allot and issue the Awarded Shares on the Issue Dates (as defined in the relevant deed of grant) as determined by the Company at its discretion, which date in any case shall not be later than one calendar month from the relevant Vesting Dates (as defined in the relevant deed of grant).

The Awarded Shares to be issued and allotted to the Grantees shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Issue Date. The Awarded Shares entitle the Grantees to participate in all cash income or other distributions paid or made after the relevant Issue Dates, but not in any cash income or distributions previously declared, recommended to be paid or made before the relevant Issue Dates.

### 8. Adjustments

In the event of any alteration in the capital structure of the Company whilst any part of the Share Awards remain outstanding, whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital (each an "**Adjustment Event**"), then, in any such case (other than in the case of capitalisation issue), the Company shall, prior

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## LETTER FROM THE BOARD

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to the relevant Issue Dates, inform the Grantees in writing of (i) the Adjustment Event(s) which have occurred on or prior to the relevant Issue Dates; and (ii) the adjustment to be made to the number of Awarded Shares to be allotted on the relevant Issue Dates subject to the Share Award (“**Adjustment**”), provided that:

- (a) no Adjustment shall be made if the effect of which would increase the proportion of the issued share capital of the Company for which the relevant Grantee would have been entitled had all outstanding and unvested Awarded Shares become vested immediately prior to such Adjustment, to more than the proportion of Awarded Shares for such relevant Grantee to the total issued shares of the Company as at the date of the relevant deed of grant;
- (b) any Adjustment must give the same proportion of the issued share capital as that to which that the Grantee(s) has previously entitled, but no such adjustments may be made to the extent that a share would be issued at less than its nominal value (if any);
- (c) the issue of Shares as consideration in a transaction shall not be regarded as a circumstance requiring any Adjustment; and
- (d) in respect of any Adjustment, an independent financial adviser or the auditors of the Company must confirm to the Directors in writing that the Adjustment satisfies the requirements set out as above.

### **9. Lapse**

In the event that the Grantee ceases to be an employee of the Group, or by reasons of, amongst others, death, his or her becoming bankrupt, commitment of any fraud, dishonesty or serious misconduct, having been convicted of any criminal offenses, then his/her entitlements to any Awarded Shares, to the extent not already vested, shall lapse forthwith and all the unvested Awarded Shares shall be deemed to be forfeited.

### **10. Alteration**

The Share Awards may be altered in any respect by a resolution by the Board (and a resolution by Shareholders at general meeting, if approvals are required for such alteration(s) under the laws and/or the applicable GEM Listing Rules at that time) provided that no such alteration shall operate to affect adversely the terms of the Share Awards and the subsisting rights of the Grantees prior to such alteration unless consent in writing of the Grantees is obtained.

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## LETTER FROM THE BOARD

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### MAXIMUM NUMBER OF AWARDED SHARES TO BE ISSUED AND LISTING APPLICATION

The total number of Awarded Shares (conditionally granted in January 2022 and June 2022 respectively) which may be issued and allotted to the Grantees by the Company pursuant to the Share Awards shall not in aggregate exceed 5,740,000 Shares (i.e. aggregate number of Awarded Shares granted in January 2022 and June 2022 mentioned above), representing approximately 0.71% of the issued share capital of the Company on the date of the relevant deeds of grants (i.e. on or before 30 June 2022).

The Awarded Shares to be issued for cash at par to be paid out of internal resources as expenses of the Company with no payment required of the Grantees shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Issue Dates. The Awarded Shares entitle the Grantees to participate in all cash income or other distributions paid or made after the relevant Issue Dates, but not in any cash income or distributions previously declared, recommended to be paid or made before the relevant Issue Dates.

The Company shall comply with the applicable GEM Listing Rules upon issuing the Awarded Shares.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Awarded Shares to be issued.

In the event of the Adjustments provided in the relevant deeds of grant, the number of shares of the Company to be issued and allotted eventually under the Share Awards granted in January 2022 and June 2022 may in aggregate exceed 5,740,000. However, (a) no Adjustment shall be made if the effect of which would increase the proportion of the issued share capital of the Company for which the Grantees would have been entitled had all outstanding and unvested Awarded Shares become vested immediately prior to such Adjustment, to more than 0.71% (being the proportion of Awarded Shares for the Grantees to the total issued shares of the Company as at 30 June 2022, the date of the relevant deeds of grant); and (b) the issue of Shares as consideration in a transaction shall not be regarded as a circumstance requiring any Adjustment.

Also, the Company will apply for the listing of the additional shares of the Company to be issued and allotted as a result of the Adjustments.

As at the Latest Practicable Date, 14,500,000 Shares in aggregate have been granted under the 2018 Share Awards, 2019 Share Awards, 2020 Share Awards and 2021 Share Awards to (i) Ms. Khoo; (ii) Mr. Tam and (iii) Selected Employees who are independent of and not connected with the Company within the meaning of the GEM Listing Rules. Of the above, 10,280,000 Shares have been vested and issued to the respective employees and 600,000 Shares had lapsed. The remaining 3,620,000 Shares representing approximately 0.44873% of the issued share capital of the Company as at the Latest Practicable Date may be issued and allotted. Details are set out in the 2018 Share Awards Circular, 2019 Share Awards Circular, 2020 Share Awards Circular and 2021 Share Awards Circular.

## LETTER FROM THE BOARD

The table below illustrates the shareholding of the Company as at the Latest Practicable Date, and assuming all the Awarded Shares (and Shares from 2018 Share Awards; 2019 Share Awards; 2020 Share Awards; and 2021 Share Awards) have been issued and allotted to the Grantees and no issue of any new Shares during such period:

Name of Shareholders	Assuming all the Awarded Shares (and Shares from 2018 Share Awards; 2019 Share Awards; 2020 Share Awards; and 2021 Share Awards) have been issued to the Grantees and no issue of any new Shares during such period							
	As at Latest Practicable Date		As at 30 September 2022		As at 31 December 2022		As at 31 December 2023	
	Approximate percentage of the total		Approximate percentage of the total		Approximate percentage of the total		Approximate percentage of the total	
	No. of Shares	issued share capital	No. of Shares	issued share capital	No. of Shares	issued share capital	No. of Shares	issued share capital
<b>Executive Directors</b>								
Mr. Arnold Ip Tin Chee (“Mr. Ip”) and his associates (Note)	562,200,000	69.690%	562,200,000	69.575%	562,200,000	69.120%	562,200,000	68.890%
Mr. Chang Sean Pey	22,400,000	2.777%	22,400,000	2.772%	22,400,000	2.754%	22,400,000	2.745%
Ms. Leung Churk Yin Jeanny	9,400,000	1.165%	9,400,000	1.163%	9,400,000	1.156%	9,400,000	1.152%
<b>Other Shareholders</b>								
Ms. Khoo	3,900,000	0.483%	4,060,000	0.502%	5,950,000	0.732%	6,430,000	0.788%
Mr. Tam	3,750,000	0.465%	3,910,000	0.484%	5,320,000	0.654%	5,800,000	0.711%
Public Shareholders	205,070,000	25.420%	206,090,000	25.504%	208,090,000	25.584%	209,850,000	25.714%
<b>Total</b>	<b>806,720,000</b>	<b>100.000%</b>	<b>808,060,000</b>	<b>100.000%</b>	<b>813,360,000</b>	<b>100.000%</b>	<b>816,080,000</b>	<b>100.000%</b>

*Note:* Kinley-Hecico Holdings Limited (“KHHL”) is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan Kit Lai, Cecilia (“Ms. Chan”) and as to 80.0% by Landmark Trust Switzerland SA (the “Trustee”) on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Arnold Ip Tin Chee, Chairman and Executive Director and Ms. Lam Ip Tin Wai Chyvette (“Ms. Ip”) are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the Shares held by KHHL. By virtue of SFO, Ms. Ho Shuk Yee Samantha, the spouse of Mr. Ip, is deemed to be interested in all the Shares in which Mr. Ip is interested or deemed to be interested.

For illustration, upon allotment and issue of the aforementioned 5,740,000 Awarded Shares under the deeds of grant dated 30 June 2022 (including those under the Connected Grants) and the Unvested Shares (assuming that there is no other change in the issued share capital of the Company) in full, the shareholding interests of existing public shareholders as at the Latest Practicable Date of 205,070,000 ordinary shares would be diluted from approximately 25.42% to approximately 25.13%. The Board considers such dilution effect immaterial and are of the view that the grant of share awards is fair and reasonable and in the interest of the Company and Shareholders as a whole.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE GRANTS OF SHARE AWARDS

As a listed company, the Board believes such status has enabled the Company to grant Share Awards as an additional means to structure remuneration package for staff retention. The Board also considers the grant of Share Awards an incentive bonus for such employees, which is in the ordinary and usual course of business of the Group and on normal commercial terms.

As disclosed in the 2022 Annual Report, the advisory and consulting business of the Group is closely related to financial market of Hong Kong. The Hong Kong stock market continues to struggle where even popularity towards larger IPOs of technology, media and telecom and bio-technology related enterprises, which was in abundance in early 2021, waned. With this backdrop, the prevailing intense competition of rule-based advisory work is expected to persist as corporate actions dwindle on one hand; and fees will be squeezed amidst competition on the other.

To recognise and reward the contributions of the employees during these uncertain times, as well as to retain and motivate them for the continual operation and development of the Group, the Directors have decided to grant them the Share Awards. The Share Awards granted to the grantees will vest in stages over the time for retaining them for the continual operation of the Group. As their positive contribution to the development of the Group may reflect on the share price, the potential increase in share price will motivate the grantees for continual development of the Group.

Notwithstanding that Ms. Khoo and Mr. Tam are executive directors of a wholly-owned subsidiary of the Group, and are regarded as connected persons of the Company at the subsidiary level, the terms of each of the Deeds entered into with each of the Grantees (including those employees who are Independent Third Parties) are similar. The current grant to Ms. Khoo and Mr. Tam can be viewed as a continued process by the Company to reward them via Shares for their contribution to the past performance of and commitment to the Group.

Taking into account the above, the Board is of the view that the Selected Employees Specific Mandate, Connected Grants and Connected Grants Specific Mandate are fair and reasonable and are in the interests of the Shareholders as a whole.

### INFORMATION OF THE GROUP

The Company is, through its operating subsidiaries, principally engaged in (i) the provision of corporate finance and other consultancy services in Hong Kong, including sponsorship, financial advisory, compliance advisory, equity capital market consulting, special situations consulting and investment consulting services to clients; and (ii) proprietary investments in Japan and Hong Kong.

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## LETTER FROM THE BOARD

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### GEM LISTING RULES IMPLICATIONS

Ms. Khoo and Mr. Tam are executive directors of a wholly-owned subsidiary of the Group, and are connected persons of the Company at the subsidiary level. Accordingly, the Connected Grants constitute connected transactions under the GEM Listing Rules and are subject to reporting, announcement, independent financial advice and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

### EGM

A notice convening the EGM to be convened at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong at 10:00 a.m. on Monday, 8 August 2022 or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, is set out on pages 46 to 48 of this circular. At the EGM, ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Selected Employees Specific Mandate, Connected Grants and Connected Grants Specific Mandate.

Pursuant to Rule 17.47(4) of the GEM Listing Rules and Article 66(1) of the Articles, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

A form of proxy for use by Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM 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 EGM or any adjournment thereof (as the case may be) should you so desire and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

### CLOSURE OF THE REGISTER OF MEMBERS

For the attendance of the EGM to be held on Monday, 8 August 2022, the register of members of the Company will be closed from Tuesday, 2 August 2022 to Monday, 8 August 2022, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar and transfer office of Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 1 August 2022.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Directors consider that the Selected Employees Specific Mandate is in the interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Selected Employees Specific Mandate at the EGM.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the Connected Grants and the Connected Grants Specific Mandate have been entered into in the ordinary and usual course of the business of the Group and are based on normal commercial terms, and the Connected Grants and Connected Grants Specific Mandate are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the Connected Grants and the Connected Grants Specific Mandate at the EGM.

### GENERAL

Your attention is drawn to (i) the letter from the Independent Board Committee, (ii) the letter from the Independent Financial Adviser and (iii) the additional information set out in the appendix to this circular and the EGM Notice.

By order of the Board  
**Altus Holdings Limited**  
**Arnold Ip Tin Chee**  
*Chairman and Executive Director*

**ALTUS**  
**ALTUS HOLDINGS LIMITED**  
**浩德控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8149)**

22 July 2022

*Dear Independent Shareholders,*

**CONNECTED TRANSACTIONS**  
**GRANTS OF SHARE AWARDS TO CONNECTED PERSONS**

We refer to the circular of the Company dated 22 July 2022 (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you in respect of the fairness and reasonableness of the Connected Grants and Connected Grants Specific Mandate. Honestum has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

Having taken into account the advice of Honestum, including the reasons to and benefits of the Connected Grants and Connected Grants Specific Mandate, we are of the opinion that the deeds of grant entered into between the Company and Ms. Khoo as well as the Company and Mr. Tam have been entered into in the ordinary and usual course of the business of the Group as an additional means to structure remuneration package for staff retention and as an incentive bonus for such employees, and are based on normal commercial terms, and the terms of the Connected Grants and Connected Grants Specific Mandate are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, we would advise the Independent Shareholders to vote in favour of the ordinary resolution to approve the Connected Grants and Connected Grants Specific Mandate at the EGM.

We also draw the attention of the Independent Shareholders to (i) the letter from the Board, (ii) the letter from the Independent Financial Adviser, and (iii) the appendix to the Circular.

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

**Chao Tien Yo**  
*Independent non-executive*  
*Director*

**Chan Sun Kwong**  
*Independent non-executive*  
*Director*

**Lee Shu Yin**  
*Independent non-executive*  
*Director*



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Honestum International Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.*



22 July 2022

*To the Independent Board Committee and the Independent Shareholders*

Altus Holdings Limited  
21 Wing Wo Street  
Central, Hong Kong

Dear Sir or Madam,

### CONNECTED TRANSACTIONS GRANTS OF SHARE AWARDS TO CONNECTED PERSONS

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Connected Grants and the Connected Grants Specific Mandate, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 22 July 2022 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

On 27 June 2022, the Board resolved to make conditional awards of an aggregate of 5,440,000 Awarded Shares as an incentive bonus to 12 Grantees, being employees of the Group, for the purposes of recognising and rewarding their contributions, as well as retaining and motivating them for the continual operation and development of the Group. The Awarded Shares shall be issued and allotted to the Grantees pursuant to specific mandates. Among the 5,440,000 Awarded Shares, 960,000 and 960,000 Awarded Shares were conditionally granted to Ms. Khoo and Mr. Tam (the “**Connected Grantees**”), executive directors of a wholly-owned subsidiary of the Group and therefore connected persons of the Company at the subsidiary level. In addition, on 4 January 2022, the Board resolved to make conditional awards of an aggregate of up to 300,000 Awarded Shares as an incentive bonus to 3 Grantees, being employees of the Group and are not connected persons of the Company or associates of connected persons of the Company, for the same purpose mentioned above.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Accordingly, the grants of Share Awards to Ms. Khoo and Mr. Tam in June 2022, being the Connected Grants, constitute non-exempt connected transactions for the Company, which are subject to reporting, announcement and independent Shareholders' approval requirements under the GEM Listing Rules. As far as the Directors are aware, save as Ms. Khoo and Mr. Tam, no Shareholder is required to abstain from voting on the resolution approving the Connected Grants and the Connected Grants Specific Mandate at the EGM.

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Chao Tien Yo, Mr. Chan Sun Kwong and Mr. Lee Shu Yin, has been established to advise the Independent Shareholders on whether (i) the Connected Grants and the Connected Grants Specific Mandate are conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Connected Grants and the Connected Grants Specific Mandate are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to give recommendation to the Independent Shareholders as to voting. We, Honestum, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### OUR INDEPENDENCE

As at the Latest Practicable Date, we are not connected with the Group, or where applicable, any of the respective substantial shareholders, directors or chief executives, or any of their respective subsidiaries or associates pursuant to Rule 17.96 of the GEM Listing Rules. During the last two years, there has been no other engagement entered into between the Group and Honestum. Save for normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group. Accordingly, we are qualified to give independent advice in respect of the Connected Grants and the Connected Grants Specific Mandate.

### BASIS OF OUR OPINION

In arriving at our recommendation, we have relied on the accuracy of (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) the relevant public information which we reviewed. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions made by the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to suspect that any material facts or information have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or its substantial shareholders, subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in respect of the Connected Grants and the Connected Grants Specific Mandate, we have taken into account the following principal factors and reasons:

#### 1. Background information of the Group

The Group is principally engaged in (i) advisory and consulting: the provision of corporate finance and other consultancy services in Hong Kong, including sponsorship, financial advisory, compliance advisory, equity capital market consulting, special situations consulting and investment consulting services to clients; and (ii) proprietary investments: leasing of investment properties in Japan and Hong Kong for residential and commercial uses. The Group provides corporate finance services through its wholly-owned subsidiary, Altus Capital Limited (“**Altus Capital**”), where Ms. Khoo and Mr. Tam serve as executive directors.

The table below sets out (i) the key financial information of the Group’s consolidated income statement; (ii) the performance of the Group’s operating segments and (iii) the key items of the Group’s consolidated statement of financial position, for the two years ended 31 March 2022 (“**FY2021**” and “**FY2022**”, respectively), as extracted from the annual report of the Company for the year ended 31 March 2022 (the “**2022 Annual Report**”).

	For the year ended 31 March	
	2022	2021
	HK\$’000	HK\$’000
	(audited)	(audited)
Revenue	55,709	59,266
– <i>Advisory and consulting</i>	19,029	19,597
– <i>Proprietary investments</i>	36,680	39,669
Other income	158	2,025
Net decrease in fair value of investment properties	(666)	(4,065)
Property expenses	(12,429)	(13,636)
Administrative and operating expenses	(26,571)	(27,111)
Segment profit	26,925	26,526
– <i>Advisory and consulting</i>	7,507	8,986
– <i>Proprietary investments</i>	19,418	17,540
Profit for the year	7,980	7,126

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	As at 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(audited)	(audited)
Non-current assets	624,433	671,988
Non-current liabilities	145,466	168,019
Net current liabilities	37,857	39,806

### *FY2022 compared with FY2021*

In FY2021 and FY2022, revenue generated from provision of advisory and consulting services accounted for approximately 33.1% and 34.2% of the Group's total revenue, respectively.

Revenue of the Group recorded a slight decrease of approximately 6.0% or approximately HK\$3.6 million from approximately HK\$59.3 million in FY2021 to approximately HK\$55.7 million FY2022, with a lower revenue generated from the proprietary investments segment in FY2022. The decrease in revenue from the proprietary investments segment by approximately 7.5% from approximately HK\$39.7 million in FY2021 to approximately HK\$36.7 million in FY2022 was mainly attributable the depreciation of the Japanese Yen ("JPY") leading to the decline in JPY-denominated rental income from the Group's investment properties in Japan.

Profit of the Group increased from approximately HK\$7.1 million in FY2021 to approximately HK\$8.0 million in FY2022, primarily attributable to the decrease in (i) net decrease in fair value of investment properties; (ii) property expenses; (iii) finance costs due to the Group's JPY-denominated borrowings in Japan continued to be repaid overtime according to their loan principal repayment schedules and overall interest rates were lower for the Group's Hong Kong borrowings in FY2022; and (iv) income tax expense. This was partially offset by the decrease in other income due to the receipt of a government grants of approximately HK\$1.4 million in respect of COVID-19 related subsidies in FY2021 which did not replicate in FY2022.

As disclosed in the 2022 Annual Report, by excluding the net effect of fair value changes of investment properties, net of deferred taxation charged, the Group recorded an underlying profit of approximately HK\$9.8 million in FY2022 as compared to approximately HK\$12.7 million in FY2021.

The non-current assets of the Group decreased by approximately HK\$47.6 million or 7.1% from approximately HK\$672.0 million as at 31 March 2021 to approximately HK\$624.4 million as at 31 March 2022, which was mainly due to the decrease in investment properties of approximately HK\$46.4 million. Such decrease was primarily attributable to the exchange realignment as a result of the depreciation of JPY.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The non-current liabilities of the Group decreased by approximately HK\$22.1 million or 13.1% from approximately HK\$168.0 million as at 31 March 2021 to approximately HK\$146.0 million as at 31 March 2022, which was mainly attributable to the decrease in non-current portion of the secured bank borrowings of approximately HK\$21.3 million. The decrease in such secured bank borrowings was mainly due to the repayment of the borrowing according to the relevant banking facilities and the depreciation of JPY.

The net current liability remained relatively stable at approximately HK\$39.8 million and HK\$37.9 million as at 31 March 2021 and 2022, respectively.

### *Overall comment*

The financial performance of the Group's advisory and consulting segment in FY2022 was affected by a general slowdown in Hong Kong corporate finance market with general weak market sentiments for initial public offerings ("IPOs") on the Stock Exchange. However, during this uncertain time, the continuous efforts of the management of the Group to develop a full suite of equity capital market services bore fruit to a certain extent during FY2022 as revenue from financial advisory engagements increased by approximately 61.8% in FY2022 which offset the decrease in revenue from sponsorship engagements and compliance advisory engagements.

As disclosed in the 2022 Annual Report, amid the uncertainties surrounding the COVID-19 pandemic, the Directors expect that the prevailing intense competition for rule-based advisory work to persist as corporate actions will dwindle and fees will be squeezed amidst competition. Going forward, the management will continue to develop strategic corporate finance consulting work, reinforce the awareness towards suit of services while elevating the profile and track record of the Group. We consider that maintaining a stable and experienced corporate finance team led by the senior management team, including Ms. Khoo and Mr. Tam, who are the subject of the Connected Grants, allows the Group to achieve the aforesaid strategy.

## **2. Principal terms of the deeds of grant of the Share Awards**

The principal terms of the deeds of grants of the Share Awards in June 2022 are set out in the section headed "Share Awards" in the Letter from the Board, which are summarised below:

Date : 30 June 2022

Parties : (i) The Company, as grantor; and

(ii) Selected Employees, Ms. Khoo and Mr. Tam, as Grantees

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- Duration : The Share Awards shall be valid and effective for the period from the date the Share Awards become unconditional until the termination date which is the earlier of (i) 31 December 2023 (the “Duration”); or (ii) on such date of early termination as may be determined by the Board. Termination shall not affect any subsisting rights of the Grantees under the Share Awards saved as mentioned in the paragraph headed “Lapse” below.
- Conditions : The Share Awards are conditional upon, among other things:
- (i) the approval by the Shareholders and the Independent Shareholders of (a) the Selected Employees Specific Mandate; and (b) the Connected Grants and the Connected Grants Specific Mandate at the EGM, respectively; and
  - (ii) the Company having obtained from the Stock Exchange a grant of the listing of, and permission to deal in, the Awarded Shares.
- Vesting periods : The vesting of the 160,000, 320,000 and 480,000 Awarded Shares to each of Ms. Khoo and Mr. Tam under the deed of grant dated 30 June 2022 will take place on 30 September 2022, 31 December 2022 and 31 December 2023, respectively.
- The vesting of the 720,000, 1,040,000, 1,760,000 Awarded Shares to the 10 Selected Employees under the Deeds dated 30 June 2022 will take place on 30 September 2022, 31 December 2022 and 31 December 2023, respectively.
- Lapse : In the event that the Grantee ceases to be an employee of the Group, or by reasons of, amongst others, death, his or her becoming bankrupt, commitment of any fraud, dishonesty or serious misconduct, having been convicted of any criminal offenses, then his/her entitlements to any Awarded Shares, to the extent not already vested, shall lapse forthwith and all the unvested Awarded Shares shall be deemed to be forfeited.

### 3. Information on the Connected Grantees

(i) *Ms. Khoo*

As disclosed in the 2022 Annual Report, Ms. Khoo joined the Group in September 2011 and currently serves as the Group Senior Manager, an executive director of Altus Capital, a principal of Altus Capital for sponsorship work and a responsible officer for Type 6 (advising on corporate finance) regulated activity under the SFO, where she is

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responsible for (a) supervising and leading the execution of corporate finance and other consultancy projects; (b) clients' relationship management and project origination; (c) talent cultivation; and (d) continuous enhancement of the Group's practice and processes. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and is licensed to carry out Type 1 (dealing in securities) regulated activity as a licensed representative under the SFO. Apart from the executive Directors, Ms. Khoo is the longest serving corporate finance staff in the Group.

*(ii) Mr. Tam*

As disclosed in the 2022 Annual Report, Mr. Tam joined the Group in October 2014 and currently serves as the executive director of Altus Capital, a responsible officer for Type 6 (advising on corporate finance) regulated activity under the SFO, where he is responsible for (a) providing corporate finance and other consultancy services to clients; (b) overseeing the day-to-day execution work of transaction teams; (c) assisting the investment committee on the implementation of the Group's investment strategy, the ongoing monitoring and review of the Group's investment portfolio; and (d) assisting the executive management in internal control matters. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. He is licensed to carry out Type 1 (dealing in securities) regulated activity as a licensed representative under the SFO.

#### **4. Reasons for and benefits of the Connected Grants**

Over the years, the Group has accumulated extensive experience in the corporate finance industry and property investment and has trained up a team of high quality and dedicated talents. The Directors consider that the future success and continual development of the Group is largely dependent on the commitment and efforts of its experienced and competent management. Particularly, the Group relies heavily on its staff with in-depth industry knowledge and substantial experience to provide corporate finance services and to establish and maintain client relationship. The Share Awards were therefore made to the Grantees in recognition of their past contributions to the development and business performance of the Group and as an incentive for their continuing commitment and contribution towards the sustainable growth of the Group.

We have reviewed the background, experience, roles and responsibilities of the Connected Grantees. We noted that Ms. Khoo has served the Group since September 2011 and has approximately eleven years of experience in the corporate finance industry. Ms. Khoo is currently a principal of Altus Capital for sponsorship work and a responsible officer of Altus Capital for Type 6 (advising on corporate finance) regulated activity under the SFO. In addition, Mr. Tam has served the Group since October 2014 and has over seven years of experience in the corporate finance industry. Mr. Tam is currently a responsible officer of Altus Capital for Type 6 (advising on corporate finance) regulated activity under the SFO. We have discussed with the management of the Group and understand that maintaining a stable and experienced team is essential to the continual operation and development of the Group. Taking

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into account that (i) the Awarded Shares under the Connected Grants shall vest over a period of approximately 1.5 years in three tranches on 30 September 2022, 31 December 2022 and 31 December 2023; and (ii) any unvested Award Shares granted to the Connected Grantees shall lapse and be forfeited if, among other things, any of the Connected Grantees ceases to be an employee of the Group, we consider that these features are designed to motivate the Connected Grantees' continuing commitment and contribution towards the development of the Group with her/his expertise and experience and ensure stability of the Group's operations, promoting the growth in revenue and profitability of the Group, particularly under the current competitive environment. We have discussed with the management of the Group and noted that they have been building their expertise in corporate finance since 2001 through a strong and stable management, an open and honest communication and a meritocratic modus operandi. Accordingly, we are of the view that the Connected Grants are linked to the continuing commitments and contributions of the Connected Grantees towards the development of the Group and provides the Connected Grantees with a direct economic interest in attaining a long-term relationship with the Group. On this basis, we consider that the Connected Grants are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Apart from the Connected Grants, Ms. Khoo and Mr. Tam have previously been granted an aggregate of 5,470,000 Awarded Shares and 4,510,000 Awarded Shares, respectively, under the 2018 Share Awards, 2019 Share Awards, 2020 Share Awards and 2021 Share Awards, the details of which are set out below:

Number of Share Awards granted to Ms. Khoo in relation to:			Vesting date as at						
			31 December 2019	31 December 2020	30 September 2021	31 December 2021	30 September 2022	31 December 2022	31 December 2023
Date of grant	Total								
The Connected Grants	30 June 2022	960,000					160,000	320,000	480,000
The 2021 Share Awards	29 June 2021	720,000			90,000	180,000		450,000	
The 2020 Share Awards	26 June 2020	1,600,000				480,000		1,120,000	
The 2019 Share Awards	3 July 2019	750,000		750,000					
The 2018 Share Awards	25 June 2018	2,400,000	1,120,000	640,000		640,000			
<b>Total</b>		<b>6,430,000</b>	<b>1,120,000</b>	<b>1,390,000</b>	<b>90,000</b>	<b>1,300,000</b>	<b>160,000</b>	<b>1,890,000</b>	<b>480,000</b>

Number of Share Awards granted to Mr. Tam in relation to:			Vesting date as at						
			31 December 2019	31 December 2020	30 September 2021	31 December 2021	30 September 2022	31 December 2022	31 December 2023
Date of grant	Total								
The Connected Grants	30 June 2022	960,000					160,000	320,000	480,000
The 2021 Share Awards	29 June 2021	540,000			90,000			450,000	
The 2021 Share Awards	4 January 2021	180,000				180,000			
The 2020 Share Awards	26 June 2020	940,000				300,000		640,000	
The 2019 Share Awards	3 July 2019	450,000		450,000					
The 2018 Share Awards	25 June 2018	2,400,000	1,120,000	640,000		640,000			
<b>Total</b>		<b>5,470,000</b>	<b>1,120,000</b>	<b>1,090,000</b>	<b>90,000</b>	<b>1,120,000</b>	<b>160,000</b>	<b>1,410,000</b>	<b>480,000</b>



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As disclosed in the Letter from the Board, the Connected Grants can be viewed as a continued process by the Company to reward the Connected Grantees via Awarded Shares for her/his contribution to the past performance of and commitment to the Group. As stated in the section headed “1. Background information of the Group” above, in face of the general slowdown in Hong Kong corporate finance market with general weak market sentiments for IPO on the Stock Exchange, the outlook of the Group remains challenging in the short run. Accordingly, the management of the Group believes and we concur that it is of utmost importance under the current circumstances to adhere to the strategy of building their expertise in corporate finance while elevating the profile and track record as mentioned above.

As set out in the section headed “5. Assessment of the terms of the Connected Grants – (i) Comparable Grants” below, based on our search on the website of the Stock Exchange, 9 Comparable Grants (as defined below) were identified, in which share awards or restricted share units were granted to the key employees of the respective companies as part of their remuneration packages to retain and motivate them for the continual operation and development of their companies. The vesting periods of these share awards or restricted share units ranged from approximately 9 months to 4.3 years. Accordingly, we consider that the vesting periods of the Awarded Shares granted to the Connected Grantees are in line with the market practice.

As shown above, taking into account the previously granted share awards together with the Connected Grants, (i) 160,000 Shares, 1,890,000 Shares and 480,000 Shares shall be vested on 30 September 2022, 31 December 2022 and 31 December 2023, respectively, and issued to Ms. Khoo; and (ii) 160,000 Shares, 1,410,000 Shares and 480,000 Shares shall be vested on 30 September 2022, 31 December 2022 and 31 December 2023, respectively, and issued to Mr. Tam. As set out in the section headed “5. Assessment of the terms of the Connected Grants – (ii) Comparison of total remuneration package of the Connected Grantees to the market” below, Ms. Khoo and Mr. Tam’s annual remuneration packages (including base salary, bonus and average value of the share awards previously granted as well as those under the Connected Grants) would not exceed the higher end and would likely be within the adjusted range of the Base Salary Market Range (as defined below). Accordingly, we consider that the Awarded Shares granted to the Connected Grantees are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As set out in the section headed “6. Financial effects of the Share Awards” below, the allotment and issue of the Share Awards will have no effect on the cash flow of the Group other than the staff costs recognised over the vesting periods of the Awarded Shares. As compared to cash bonuses which will result in an immediate cash outflow of the Group and share options where the grantees are required to pay the exercise price upon exercise of the share options and the timing of exercise of the share options will depend on the Share prices, we consider that the Connected Grants provide an immediate incentive and reward to the Connected Grantees who have contributed to the Group’s growth and results over the years and is crucial to the development of the Group.

Based on the above, we concur with the Directors that the Connected Grants and the Connected Grants Specific Mandate are in the ordinary and usual course of business of the Group which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**5. Assessment of the terms of the Connected Grants**

*(i) Comparable Grants*

The Connected Grants involve the grants of Share Awards to Ms. Khoo and Mr. Tam, connected persons of the Company, for the purpose of recognising and rewarding her/his contribution as well as retaining and motivating her/him for the continual operation and development of the Group.

In assessing the fairness and reasonableness of the Connected Grants, we have formulated the following criteria in selecting comparable transactions involving the grant of share awards or restricted share units to connected persons (the “**Comparable Grants**”): (i) the companies involved are mainly engaged in provision of advisory and consulting services and proprietary investments; (ii) the companies involved are listed on the Stock Exchange; and (iii) the companies had granted share awards or restricted share units to connected persons which involved issuance of new shares by the listed companies without performance targets and, if required, were approved by the independent shareholders of the listed companies, as announced on the website of the Stock Exchange during the period from 1 January 2022 to 30 June 2022 (the “**Research Period**”), being approximately six months prior to the announcement of the grants of the Share Awards. Based on the above selection criteria, we noted that there are no other listed companies on the Stock Exchange, which is engaged in business similar to the Group, has granted share awards or restricted share units granted to connected persons during the Research Period. To obtain a representative sample of comparable scale for meaningful analysis, the criteria mentioned above was revised to include companies engaged in other industries. Notwithstanding this, we consider that the differences in industries do not impair the soundness of the comparable analysis to serve as a general reference as it draws on transactions adopting similar structures in Hong Kong. Based on the aforesaid revised criteria, 9 Comparable Grants were identified, which we believe are exhaustive based on our search on the website of the Stock Exchange.

We consider that this sample represents a sample size (i.e. nine) typical for comparable research, which is sufficient for comparison with the Connected Grants and is fair and representative given that the Comparable Grants involve grant of share awards or restricted share units and issuance of new shares to connected persons, as in the case of the Connected Grants. As the Research Period provides a sufficient sample size for our analysis and is a period not too remote from the Latest Practicable Date, which reflects prevailing market practice, we consider that the Research Period is fair and representative.

Although (i) the business nature, operations and financial performance of the listed companies, which approved the Comparable Grants, may be different from that of the Company and (ii) details with respect to each individual grantee and/or the Comparable Grants such as responsibilities and service terms of each individual grantee, date of grant may vary, we consider that the Comparable Grants demonstrate the recent market practice in relation to the grants of share awards or restricted share units to connected persons of other companies listed on the Stock Exchange, in particular the size relative to the total issued shares, the vesting period and the value of the awarded shares or restricted share units being granted, and therefore an appropriate basis in assessing the fairness and reasonableness of the terms of the Connected Grants.

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We have compared the Connected Grants with the Comparable Grants in terms of the sizes and vesting periods of share awards or restricted share units. Details of the Comparable Grants are set out below:

Company (stock code)	Date of announcement	Grantee(s)	Number and role of the connected grantee	Approximate percentage of number of awarded shares or restricted share units granted to connected persons to total number of shares in issue on the date of announcement	Approximate percentage of total number of awarded shares or restricted share units to total number of shares in issue on the date of announcement	Timing of vesting	Vesting period	Value of awarded shares or restricted share units to be granted to individual connected person
Greentown Management Holdings Company Limited (Stock Code: 09979.HK)	24 April 2022	69 grantees (4 connected persons)	2 executive directors and 2 directors of the subsidiary	0.49%	2.66%	(a) 30% of the award shares shall be vested on the first anniversary of the grant date;  (b) 30% of the award shares shall be vested on the second anniversary of the grant date; and  (c) 40% of the award shares shall be vested on the third anniversary of the grant date	3 years	Ranged from approximately HK\$11.5 million to HK\$20.1 million
BeiGene, Ltd. (Stock Code: 06160.HK)	19 April 2022	12 grantees (12 connected persons)	1 executive director, 2 non-executive directors and 9 independent non-executive directors	0.04%	0.04%	Various vesting schedules:  (i) 25% of the restricted share units shall vest on each anniversary of the grant date, subject to continued service;  (ii) 100% of the restricted share units shall vest upon the earlier to occur of the first anniversary of the grant date or the date of the next annual general meeting of shareholders	1 to 4 years (notes 1)	Ranged from approximately HK\$1.6 million to HK\$31.2 million
Suoxinda Holdings Limited (Stock Code: 3680.HK)	8 April 2022	46 grantees (2 connected persons)	2 directors of the subsidiary	0.01%	0.19%	Various vesting schedules:  (i) 60% of the restricted share unit granted shall vest as soon as practicable following the fulfilment of the conditions; and 40% of the restricted share unit granted shall vest on the first trading day after 31 March 2023;	1 to 4 years (notes 2)	Approximately HK\$0.1 million

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Company (stock code)	Date of announcement	Grantee(s)	Number and role of the connected grantee	Approximate percentage of number of awarded shares or restricted share units granted to connected persons to total number of shares in issue on the date of announcement	Approximate percentage of total number of awarded shares or restricted share units to total number of shares in issue on the date of announcement	Timing of vesting	Vesting period	Value of awarded shares or restricted share units to be granted to individual connected person
Semiconductor Manufacturing International Corporation (Stock Code: 0981.HK)	8 April 2022	13 grantees (13 connected persons)	3 executive directors and 1 non- executive director, 4 independent non- executive directors and 5 directors of the subsidiary	0.03%	0.03%	Various vesting schedules:	9 months to 4 years (notes 3)	Ranged from approximately HK\$0.5 million to HK\$6.7 million
						(ii) 30% of the restricted share unit granted shall vest on the first trading day after 30 June 2022; 30% of the restricted share unit granted shall vest on the first trading day after 30 June 2023; and 40% of the restricted share unit granted shall vest on the first trading day after 30 June 2024		
						(iii) 25% of the restricted share unit granted shall vest on the first trading day after 31 March 2023; 25% of the restricted share unit granted shall vest on the first trading day after 31 March 2024; 25% of the restricted share unit granted shall vest on the first trading day after 31 March 2025; and 25% of the restricted share unit granted shall vest on the first trading day after 31 March 2026.		
						(i) restricted share units to be granted will be vested in four batches annually commencing from 1 March 2022 at the rate of 25% each		
						(ii) restricted share units to be granted will be vested on 1 January 2023		

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Company (stock code)	Date of announcement	Grantee(s)	Number and role of the connected grantee	Approximate percentage of number of awarded shares or restricted share units granted to connected persons to total number of shares in issue on the date of announcement	Approximate percentage of total number of awarded shares or restricted share units to total number of shares in issue on the date of announcement	Timing of vesting	Vesting period	Value of awarded shares or restricted share units to be granted to individual connected person
Everest Medicines Limited (Stock Code: 1952.HK)	1 April 2022	269 grantees (5 connected persons)	5 directors of the subsidiary	0.03%	1.68%	(a) 25% of the 2022 award shares granted will be vested on 1 April 2023; and  (b) 75% of the 2022 award shares granted will be vested in equal installments on 1 April 2024, 1 April 2025 and 1 April 2026.	4 years	Ranged from approximately HK\$0.4 million to HK\$0.5 million
Baioo Family Interactive Limited (Stock Code: 2100.HK)	30 March 2022	2 grantees (2 connected persons)	2 executive directors	0.54%	0.54%	(a) 20% of the restricted share unit granted shall vest on 1 July 2023;  (b) 20% of the restricted share unit granted shall vest on 1 July 2024;  (c) 30% of the RSUs granted shall vest on quarterly basis from on 1 July 2024 to July 2025; and  (d) 30% of the restricted share unit granted shall vest on quarterly basis from on 1 July 2025 to July 2026.	4.3 years	Ranged from approximately HK\$2.5 million to HK\$5.0 million
ANGELALIGN TECHNOLOGY INC. (Stock Code: 6699.HK)	25 March 2022	134 grantees (1 connected persons)	1 executive director	0.01%	0.26%	Various vesting schedules:  (i) 30% shall vest on the date of 30 September of the same year of the grant date; 30% shall vest on the date of 30 September of the second year of the grant date; 20% shall vest on the date of 30 September of the third year of the grant date; and 20% shall vest on the date of 30 September of the fourth year of the grant date;	4 years	Approximately HK\$3.3 million

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Company (stock code)	Date of announcement	Grantee(s)	Number and role of the connected grantee	Approximate percentage of number of awarded shares or restricted share units granted to connected persons to total number of shares in issue on the date of announcement	Approximate percentage of total number of awarded shares or restricted share units to total number of shares in issue on the date of announcement	Timing of vesting	Vesting period	Value of awarded shares or restricted share units to be granted to individual connected person
Fosun International Limited (Stock code: 0656.HK)	24 March 2022	143 grantees (32 connected persons)	14 directors and 18 directors of the subsidiary	0.24%	0.37%	Various vesting schedules: (i) 25,695,000 award shares will be vested at the rate of 33%, 33% and 34% on 24 March 2023, 24 March 2024 and 24 March 2025, respectively; and (ii) 5,284,000 award shares will be vested on 24 March 2023.	1-3 years	Ranged from approximately HK\$0.2 million to HK\$27.1 million
WuXi Biologics (Cayman) Inc. (Stock Code: 2269.HK)	23 March 2022	2458 grantees (7 connected persons)	2 executive directors, 3 independent non-executive directors and 2 directors of the subsidiary	0.07%	0.52%	Not disclosed	Not disclosed	Ranged from approximately HK\$0.3 million to HK\$143.8 million
		<b>Minimum</b>	<b>0.01%</b>	<b>0.03%</b>	<b>9 months</b>			
		<b>Maximum</b>	<b>0.54%</b>	<b>2.66%</b>	<b>4.3 years</b>			
		<b>Average</b>	<b>0.16%</b>	<b>0.70%</b>	<b>3.1 years</b>			
The Company (8149.HK)	30 June 2022	12 grantees (2 connected persons)	2 directors of the subsidiary	0.24% (notes 4)	0.67% (notes 5)	In stages over the duration	Approximately 1.5 years	HK\$0.2 million (notes 6)

*Notes:*

- The average vesting period of BeiGene, Ltd. is calculated as the average of 1 year and 4 years of the vesting periods of two vesting schedules.
- The average vesting period of Semiconductor Manufacturing International Corporation is calculated as the average of 1 year, 2.25 years and 4 years of the vesting periods of three vesting schedules.
- The average vesting period of Suoxinda Holdings Limited is calculated as the average of 9 months and 4 years of the vesting periods of two vesting schedules.
- Calculated based on 1,920,000 Awarded Shares granted to the Connected Grantees and 806,720,000 issued Shares as at the date of grant of the Share Awards.

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5. Calculated based on 5,440,000 Awarded Shares granted to the Grantees and 806,720,000 issued Shares as at the date of grant of the Share Awards.
6. The value of Award Shares to be granted to each individual Connected Grantees was calculated based on the closing price of Shares as at the date of grant.

As shown above, the size of the share awards or restricted share units under the Comparable Grants ranged from approximately 0.03% to approximately 2.66% of their respective total number of shares in issue as at the dates of the relevant announcements. The number of Awarded Shares under the Deeds dated 30 June 2022, including those under the Connected Grants, represent approximately 0.67% of the total number of Shares in issue as at the date of grants, which was within the aforesaid range.

Among the total share awards or restricted share units under the Comparable Grants, approximately 0.01% to approximately 0.54% of their respective total number of shares in issue as at the dates of the relevant announcements were granted to connected persons of the respective companies. The number of Awarded Shares granted to Ms. Khoo and Mr. Tam in June 2022 of approximately 0.24% of the total number of Shares in issue as at the date of grants, was within the range of those under the Comparable Grants.

The vesting periods of the share awards or restricted share units under the Comparable Grants, on the other hand, ranged from approximately 9 months to 4.3 years. The vesting periods of the Awarded Shares under the Connected Grants were approximately 1.5 years which was within the aforesaid range.

Based on the above, we consider that the size and the vesting periods of the Awarded Shares (including those under the Connected Grants) are in line with the market practice and are fair and reasonable.

In addition, as shown above, the value of the share awards or restricted share units to be granted to connected person(s) under the Comparable Grants ranged from approximately HK\$0.1 million to approximately HK\$143.8 million. Based on the closing price of the date of the Connected Grants, the value of Award Shares to be granted to each of Ms. Khoo and Mr. Tam was approximately HK\$0.2 million, which is within the range of the value of share awards or restricted share units under the Comparable Grants. As a result, we consider that the value of the Awarded Shares of the Connected Grants is in line with the market practice and is fair and reasonable.

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*(ii) Comparison of total remuneration package of the Connected Grantees to the market*

In assessing the fairness and reasonableness of the annual remuneration packages (including base salary, bonus and share-based payments) of the Connected Grantees, we have conducted online searches on the latest salary guides published by certain international recruitment consultancy firms for the prevailing market remuneration level for personnel holding positions similar to the Connected Grantees' in the corporate finance industry in Hong Kong. The results are set out below:

<b>Publication (Note 1)</b>	<b>Name of publisher</b>	<b>Industry/Position/Annual remuneration</b>
The 2022 Hays Asia Salary Guide (Note 2)	Hays (Note 3)	Corporate finance – Hong Kong Director Annual base salary: HK\$1.6 million to HK\$2.0 million
Hong Kong Salary Guide 2021/22 (Note 4)	PERSOLKELLY (Note 5)	Investment Banking & Financial Market – Sales and Trading Director Annual base salary: HK\$1.6 million to HK\$2.7 million
Hong Kong Salary Report 2022 (Note 6)	Michael Page (Note 7)	Corporate finance/Investment Banking Division Director Average annual base salary: HK\$1.8 million
2022 Hudson Talent Trends Report (Note 8)	Hudson (Note 9)	Chinese Investment banking/Securities – IBD Director Annual base salary: HK\$1.4 million to HK\$1.9 million

*Sources:*

<https://www.hays.com.hk/salary-guide>  
<https://www.persolkelly.com.hk/salary-guides>  
<https://www.michaelpage.com.hk/salary-guide>  
<https://www.hudson.hk/insights/salary-guides>

*Notes:*

- No information on bonuses, incentives and other forms of remunerations was available in the relevant publications.



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2. The 2022 Hays Asia Salary Guide is compiled based on the survey conducted by Hays from October to November 2021 on the working professionals and employers across Asia, covering China, Hong Kong, Japan, Malaysia and Singapore with a sample size of 9,598. This publication discloses the comprehensive breakdown of Asia's salaries for positions across a wide array of industries and provides country-specific, expert insights and recommendations for both employers and employees to adopt in the coming year.
3. Hays, established in 1867, is a multinational company providing recruitment and human resources services across 33 countries globally.
4. Hong Kong Salary Guide 2021/22 provides an overview of the key trends affecting the Hong Kong employment and talent landscape. The salary figures included in this publication are derived by combining the expert market knowledge of senior recruitment professionals within the network of PERSOLKELLY, as well as the latest job placement data recorded on the database.
5. PERSOLKELLY is a joint venture established in 2016 between Kelly Services Inc., a U.S. listed company, and PERSOL Holdings, providing services from recruitment, executive search, outsourcing to consultancy, with over 45 offices across 13 markets.
6. The figures presented in the Hong Kong Salary Report 2022 are derived from Michael Page's proprietary data and network in Hong Kong, incorporating salary projections for 2022. This year, the salary figures are represented by the average in a set of data.
7. Michael Page, established in 1976, provides specialised recruitment services for professionals at middle management to leadership levels, along with highly specialised technical positions with operations in 36 countries worldwide.
8. 2022 Hudson Talent Trends Report is a compilation of survey from organisations across Hong Kong to find out how much they are paying to attract and fill roles across a range of specialist areas.
9. Hudson is a leading provider of talent solutions for over 30 years and have a deep understanding of the Asia Pacific market.

The above salary guides are compiled by four well-established multinational recruitment consultancy firms based on public survey, market knowledge of recruitment consultants and historical recruitment data, which have covered the latest salary trend in Hong Kong. As shown above, the annual base salary for personnel holding a director position in the corporate finance industry in Hong Kong ranged from HK\$1.4 million to HK\$2.7 million (the “**Base Salary Market Range**”) excluding bonuses, incentives and other forms of remuneration. Given that the Base Salary Market Range represents the prevailing salary level in Hong Kong corporate finance industry in general, which covers corporations of various sizes, we consider that the Base Salary Market Range is relevant to assessing the fairness and reasonableness of the Connected Grants.

As set out in the section headed “4. Reasons for and benefits of the Connected Grants” above, 160,000 Shares, 1,890,000 Shares and 480,000 Shares (including the Connected Grants) shall be vested on 30 September 2022, 31 December 2022 and 31 December 2023, respectively, and issued to Ms. Khoo under the share awards previously granted to her and the Connected Grants. In addition, 160,000 Shares, 1,410,000 Shares and 480,000 Shares (including the Connected Grants) shall be vested on 30 September 2022, 31 December 2022 and 31 December 2023, respectively, and issued to Mr. Tam under the share awards previously granted to him and the Connected Grants. For

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illustrative purpose, on average, Ms. Khoo and Mr. Tam will be entitled to 1,265,000 Shares and 1,025,000 Shares respectively per annum (the “**Average Share Awards**”) for each of the coming two years. Based on the closing price of the Shares of HK\$0.166 as at the Latest Practicable Date, the value of the Average Share Awards issued to Ms. Khoo and Mr. Tam amounted to approximately HK\$209,990 and HK\$170,150, respectively.

For illustrative purpose, based on (i) the annual base salary and bonus of the Connected Grantees for the year ended 31 March 2022; and (ii) the value of the Average Share Awards as calculated above, the annual remuneration packages of Ms. Khoo and Mr. Tam (including base salary, bonus and share awards previously granted and under the Connected Grants) are within the Base Salary Market Range. As the Base Salary Market Range has not included bonuses, incentives and other forms of remuneration, it can be deduced that when the Base Salary Market Range has been adjusted higher by including bonuses, incentives and other forms of remuneration, the annual remuneration packages of Ms. Khoo and Mr. Tam (including base salary, bonus and share awards previously granted and under the Connected Grants) would not exceed the higher end and would likely be within such adjusted market range.

On this basis, we consider that the annual remuneration packages of Ms. Khoo and Mr. Tam, after inclusion of bonuses and share awards (including the Awarded Shares under the Connected Grants), to be fair and reasonable in this respect and in the interest of the Company and the Shareholders as a whole.

### **6. Financial effects of the Share Awards**

According to Hong Kong Financial Reporting Standard 2 – Share-based Payment and the accounting policy of the Group, share awards granted to the employees are the amounts to be expensed as staff costs, the amounts of which are determined by reference to the fair value of the share awards granted, taking into account all non-vesting conditions associated with the grants. The total expense is recognised over the relevant vesting periods, with a corresponding credit to the share award reserve under equity. When the awarded shares are allotted and transferred to the grantees upon vesting, the awarded shares vested are debited to the share award reserve and the allotted shares are credited to share capital and share premium.

The allotment and issue of the 5,440,000 Awarded Shares under the deeds of grant dated 30 June 2022 shall have no effect on the cash flow of the Group other than the staff costs recognised over the vesting periods of the Awarded Shares. Based on the closing price of the Shares of HK\$0.168 on 30 June 2022, being the date of the grant, the expenses relating to the allotment and issuance of the Awarded Shares are approximately HK\$0.9 million in aggregate, which are expected to decrease the net profit of the Group. In addition, after taking into account the financial effect of the 300,000 Awarded Shares under the deeds of grant dated 4 January 2022, the expenses relating to the allotment and issuance of the Awarded Shares granted in January 2022 and June 2022 are approximately HK\$1.0 million in aggregate.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 7. Dilution effect of the Share Awards

As at the Latest Practicable Date, among the 14,500,000 Shares that were granted under the 2018 Share Awards, the 2019 Share Awards, the 2020 Share Awards and the 2021 Share Awards, 3,620,000 Shares (the “Unvested Shares”) have not been vested and issued to the relevant employees. Upon allotment and issue of the 300,000 Awarded Shares under the deeds of grant dated 4 January 2022, the 5,440,000 Awarded Shares under the deeds of grant dated 30 June 2022 (including those under the Connected Grants) and the Unvested Shares (assuming that there is no other change in the issued share capital of the Company) in full, the shareholding interests of existing public shareholders as at the Latest Practicable Date of 205,070,000 ordinary shares would be diluted from approximately 25.42% to approximately 25.13%. This is considered immaterial in percentage terms and, in our view, acceptable so far as the Independent Shareholders are concerned taking into account the expected benefits as set out in the section headed “4. Reasons for and benefits of the Connected Grants” above.

For details of the dilution effect of the share awards granted by the Company, please refer to the section headed “Maximum number of Awarded Shares to be issued and listing application” in the Letter from the Board.

### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Connected Grants and the Connected Grants Specific Mandate are in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Connected Grants and the Connected Grants Specific Mandate.

Yours faithfully,

For and on behalf of

**Honestum International Limited**

**Michael Chum**

*Chairman*

**Jacky Chu**

*Associate Director*

*Note: Mr. Michael Chum is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Honestum International Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and has over 25 years of experience in corporate finance industry. Mr. Jacky Chu is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Honestum International Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and has over 9 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 GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2 DISCLOSURE OF INTERESTS

### (a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), if any, held by the Directors and chief executive of the Company which have been 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 were taken or deemed to have under such provisions of the SFO), or have been entered into the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules as follows:

#### *Interest or short position in the Shares:*

Name of Director	Capacity and nature of interest	Notes	Number of Shares interested (Note 3)	Approximate percentage of the total issued share capital of the Company %
Mr. Arnold Ip Tin Chee ("Mr. Ip")	Beneficiary of a trust	1	557,200,000 (L)	69.07
	Beneficial owner		1,250,000 (L)	0.15
	Interest of a spouse		1,250,000 (L)	0.15
Mr. Chang Sean Pey ("Mr. Chang")	Beneficial owner	2	22,400,000 (L)	2.78
Ms. Leung Churk Yin Jeanny ("Ms. Leung")	Beneficial owner	2	9,400,000 (L)	1.17

*Notes:*

1. Kinley Hecico Holdings Limited (“KHHL”) is deemed to be interested in 557,200,000 shares of the Company in long position through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan Kit Lai, Cecilia (“Ms. Chan”) and as to 80.0% by Landmark Trust Switzerland SA (the “Trustee”) on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Lam Ip Tin Wai Chyvette (“Ms. Ip”) are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL. Mr. Ip has beneficial interest in 1,250,000 shares of the Company and has interest of spouse in 1,250,000 shares of the Company by virtue of SFO.
2. The letters “L” denote a long position in the Shares.

*Interests in associated corporations of the Company:*

Name	Name of associated corporation	Capacity and nature of interest	Number of shares interest (Note 1)	Approximate percentage shareholding (%)
Mr. Ip	KHHL (Note 2)	Beneficiary of a trust	204 (L)	80.0
	I Corporation (Note 3)	Interest of spouse	14 (L)	20.0
Ms. Leung	Residence Motoki Investment Limited (“Residence”)	Beneficial owner	20 (L)	0.33
Mr. Chang	Residence	Beneficial owner	10 (L)	0.17

*Notes:*

1. The letter “L” denotes a long position in the shares of these associated corporations of the Company.
2. KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is a company which is owned as to 20% by Ms. Chan and as to 80% by the Trustee on behalf of The Hecico 1985 Trust, of which Mr. Ip is one of the beneficiaries. By virtue of the SFO, Mr. Ip is deemed to be interested in the shares of KHHL held by the Trustee.
3. Pursuant to the SFO, Mr. Ip, the spouse of Ms. Ho, is deemed to be interested in the shares of I Corporation held by Ms. Ho.

Save as disclosed above, none of the Directors or the chief executive of the Company and/or their respective associates had, as at the Latest Practicable Date, any interests or short positions 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) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

**(b) Interest of substantial shareholders**

As at the Latest Practicable Date, substantial shareholders (not being the Directors or chief executives of the Company) had interests or short positions 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, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

*Interests or short position in the Shares:*

Name of Shareholder	Capacity and nature of interest	Number of Shares interested (Note 1)	Approximate percentage of the total issued share capital of the Company (%)
Flying Castle Limited (Note 2)	Beneficial owner	557,200,000 (L)	69.07
KHHL (Note 2)	Interest in a controlled corporation	557,200,000 (L)	69.07
The Trustee	Trustee	557,200,000 (L)	69.07
Ms. Chan (Note 2)	Founder of a discretionary trust	557,200,000 (L)	69.07
	Beneficial owner	1,250,000 (L)	0.15
Mr. Ip (Note 2)	Beneficiary of a trust	557,200,000 (L)	69.07
	Beneficial owner	1,250,000 (L)	0.15
	Interest of spouse	1,250,000 (L)	0.15
Ms. Ip (Note 2)	Beneficiary of a trust	557,200,000 (L)	69.07
	Beneficial owner	1,250,000 (L)	0.15
Ms. Ho Shuk Yee Samantha ("Ms. Ho") (Note 3)	Interest of spouse	558,450,000 (L)	69.22
	Beneficial owner	1,250,000 (L)	0.15
Yuanta Asia Investment Limited	Beneficial owner	44,250,000 (L)	5.49

*Notes:*

1. The letters “L” denote a long position in the Shares.
2. KHHL is deemed to be interested in the Company through its wholly-owned subsidiary, Flying Castle Limited. KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by The Trustee on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the Shares held by KHHL. By virtue of SFO, Mr. Ip, the spouse of Ms. Ho, is deemed to be interested in 1,250,000 Shares held by Ms. Ho.
3. Pursuant to the SFO, Ms. Ho, the spouse of Mr. Ip, is deemed to be interested in all the Shares in which Mr. Ip is deemed to be interested in.

*Interests or short positions in other members of the Group:*

Name of shareholder	Name of member of the Group	Capacity and nature of interest	Number of shares ( <i>Note</i> )	Percentage of shareholding (%)
Ms. Ho	I Corporation	Beneficial owner	14 (L)	20.0
Mr. Henry Shih	Smart Tact Property Investment Limited	Beneficial owner	922 (L)	10.0
	Residence	Beneficial owner	600 (L)	10.0
	Lynton Gate Limited	Beneficial owner	1 (L)	10.0
	EXE Rise Shimodori Investor Limited	Beneficial owner	12 (L)	10.0
Mr. Richard Lo	Residence	Interests in controlled corporations	600 (L)	10.0

*Note:* The letter “L” denotes a long position in the shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company and/or their respective associates are not aware that there is any party who have an interest or short position in the shares and underlying shares of the Company which would to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### 3 COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors and 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.

### 4 QUALIFICATION

The following is the qualification of the expert who has given an opinion or advice on the information contained in this circular:

<b>Name</b>	<b>Qualification</b>
Honestum International Limited	a corporation licensed to engage in Type 6 (advising on corporate finance) regulated activity under the SFO

### 5 CONSENT

Honestum 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 herein.

### 6 MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there is no material adverse change in the financial or trading position of the Group since 31 March 2022, being the date to which the latest published audited financial statements of the Group were made up.

### 7 LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

### 8 MISCELLANEOUS

- (a) None of the Directors has entered into or is proposed to enter into a service contract with any member of the Group which does not expire or which is not determinable by such member of the Group within one year without payment of compensation, other than statutory compensation.
- (b) As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors or Honestum was beneficially interested in the share capital of any member of the Group or had 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 none had any interest, either directly or indirectly, in any assets which



have been, since 31 March 2022, being the date to which the latest published audited financial statements of the Company were made up, 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.

- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (d) The company secretary and the qualified accountant of the Company is Ms. Tse Sui Man who is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (e) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (f) The principal place of business of the Company in Hong Kong is at 21 Wing Wo Street, Central, Hong Kong.
- (g) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (h) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited.
- (i) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

## 9 DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of GEM at [www.hkgem.com](http://www.hkgem.com) and the Company at [www.altus.com.hk](http://www.altus.com.hk) for 14 days from the date of this circular:

- (a) the deed of grant to Ms. Khoo;
- (b) the deeds of grant to Mr. Tam;
- (c) the deeds of grant to the Selected Employees;
- (d) the letter from the Independent Board Committee, the text of which is set out on page 20 of this circular;
- (e) the letter from Honestum, the text of which is set out on pages 21 to 39 of this circular; and
- (f) the consent letter from Honestum referred to in the paragraph headed "Consent" in this Appendix.

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## NOTICE OF EGM

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# ALTUS

## ALTUS HOLDINGS LIMITED

### 浩德控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8149)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Altus Holdings Limited (the “**Company**”) will be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong at 10:00 a.m. or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and place, whichever is later, on Monday, 8 August 2022 to consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) The deed(s) of grant dated 30 June 2022 entered into between the Company as the grantor and each of Ms. Khoo Wing Pui Charlotte (the “**Ms. Khoo Deed**”) and Mr. Tam Leo Ho Kei (the “**Mr. Tam Deed**”) as grantee(s) in respect of the awards of an aggregate of 1,920,000 new shares of HK\$0.01 each of the Company, credited as fully paid, as an incentive bonus (a copy of which has been produced to this meeting marked “A” and initialled by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to transactions mentioned in paragraph (a) above;
- (c) conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the Awarded Shares (as defined in the Ms. Khoo Deed and Mr. Tam Deed) to be allotted and issued pursuant to the terms and conditions of the Ms. Khoo Deed and Mr. Tam Deed, the Directors be and are hereby granted a specific mandate (the “**Connected Grants Specific Mandate**”) to allot and issue not exceeding in aggregate 1,920,000 ordinary shares of HK\$0.01 each in the capital of the Company on the terms as set out in the Ms. Khoo Deed and Mr. Tam Deed, provided that the Connected Grants Specific Mandate shall be in addition to and shall not prejudice nor revoke the general mandate contained in the ordinary resolution 5 of the notice of annual general meeting of the Company dated 28 June 2022 to be held on 8 August 2022 if it is granted to the Directors by the shareholders of the Company at the said annual general meeting of the Company; and

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## NOTICE OF EGM

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- (d) the Directors be and are hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to transactions mentioned in paragraph (c) above.”

2. **“THAT:**

- (a) conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the Awarded Shares (as defined in the deeds of grant (the **“Selected Employees Deeds”**) dated 4 January 2022 and 30 June 2022 entered into between the Company as the grantor and Selected Employees as grantees in respect of the awards of a total of 3,820,000 new shares of HK\$0.01 each of the Company, credited as fully paid, as incentive bonus) to be allotted and issued pursuant to the terms and conditions of the Selected Employees Deeds, the directors of the Company (the **“Directors”**) be and are hereby granted a specific mandate (the **“Selected Employees Specific Mandate”**) to allot and issue in aggregate not exceeding 3,820,000 ordinary shares of HK\$0.01 each in the capital of the Company on the terms as set out in the Selected Employees Deeds, provided that the Selected Employees Specific Mandate shall be in addition to and shall not prejudice nor revoke the general mandate contained in the ordinary resolution 5 of the notice of annual general meeting of the Company dated 28 June 2022 to be held on 8 August 2022 if it is granted to the Directors by the shareholders of the Company in the said annual general meeting of the Company; and
- (b) the Directors be and are hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to transactions mentioned in paragraph (a) above.”

By order of the Board  
**Altus Holdings Limited**  
**Tse Sui Man**  
*Company Secretary*

Hong Kong, 22 July 2022

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## NOTICE OF EGM

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*Notes:*

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company. In view of the COVID-19 pandemic, shareholders are strongly encouraged to appoint the chairman of the EGM as proxy to attend and vote on his behalf at the EGM or any adjourned meeting.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised on its behalf.
3. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the EGM (or any adjournment thereof), either personally 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 personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The register of members of the Company will be closed from Tuesday, 2 August 2022 to Monday, 8 August 2022, both dates inclusive. During such period, no share transfers will be effected. In order to qualify for attending and voting at the EGM, all 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 for registration no later than 4:30 p.m. on Monday, 1 August 2022.
7. If typhoon signal no. 8 or above, or a "black" rainstorm warning is hoisted or remains hoisted at 7:30 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.altus.com.hk](http://www.altus.com.hk) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
8. A form of proxy for use by shareholders of the Company at the EGM is enclosed in this circular.

As at the date of this notice, the directors of the Company are:

*Executive Directors:*

Mr. Arnold Ip Tin Chee (*Chairman*)  
Mr. Chang Sean Pey  
Ms. Leung Churk Yin Jeanny

*Registered Office:*

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

*Independent non-executive Directors:*

Mr. Chao Tien Yo  
Mr. Chan Sun Kwong  
Mr. Lee Shu Yin

*Headquarter and principal place of  
business in Hong Kong:*

21 Wing Wo Street  
Central  
Hong Kong