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## **Most Kwai Chung Limited**

**毛記葵涌有限公司**

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

**(Stock Code: 1716)**

### **INSIDE INFORMATION**

#### **(1) RESIGNATION OF A DIRECTOR**

#### **(2) CHANGE IN SHAREHOLDING STRUCTURE OF CONTROLLING SHAREHOLDER**

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **RESIGNATION OF A DIRECTOR**

The Board announces that Mr. Tsui has tendered his resignation to the Board from his position as an executive Director with effect from 1 August 2021 in order to devote more time for his personal commitments. Following his resignation, Mr. Tsui will also cease to retain any role in any Group company with effect from even date.

Mr. Tsui confirmed that he had no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company. The Board would like to express its sincere appreciation to Mr. Tsui for his contribution to the Company and the Board during his tenure of service.

#### **CHANGE IN SHAREHOLDING STRUCTURE OF CONTROLLING SHAREHOLDER**

The Board has been informed that on 1 August 2021, Mr. Iu, Mr. Luk and Mr. Tsui have entered into the Sale and Purchase Agreement, pursuant to which Mr. Tsui agreed to sell, and Mr. Iu and Mr. Luk agreed to purchase, the Sale Share at a total consideration of HK\$8,000,000, subject to the terms and conditions of the Sale and Purchase Agreement, including the provision of undertakings by Mr. Iu and Mr. Luk to Mr. Tsui as detailed below:

- (a) each of Mr. Iu and Mr. Luk undertakes to Mr. Tsui that within six (6) months after the date of Completion, each of Mr. Iu and Mr. Luk shall procure Blackpaper BVI to transfer 6,750,000 ordinary shares in the Company (representing 2.5% of the entire

issued share capital of the Company as at the date of this announcement) held by Blackpaper BVI to certain long-serving employees of the Group as designated by Mr. Tsui, subject to each of the Selected Employees agreeing to provide the following undertakings to Mr. Iu, Mr. Luk and Blackpaper BVI:

- (i) except with the prior written consent of Mr. Iu, Mr. Luk and Blackpaper BVI, each of the Selected Employees shall not dispose of all or any of the Award Shares within five (5) years commencing from the date on which such respective number of Award Shares have been transferred to them; and
  - (ii) each of the Selected Employees shall be acting in concert (as defined in The Codes on Takeovers and Mergers and Share Buy-backs by the Securities and Futures Commission) with Mr. Iu, Mr. Luk and Blackpaper BVI in relation to all matters of each member of the Group and enter into such document(s) as may be required for the purpose of recording the same or otherwise giving effect to such arrangement;
- (b) subject to paragraph (c) below and so long as the Company remains as a company whose shares are listed and not suspended for trading on the Main Board of the Stock Exchange, each of Mr. Iu and Mr. Luk agrees and undertakes to and with Mr. Tsui that:
- (i) for a period of five (5) years commencing from the date of Completion, Mr. Iu, Mr. Luk and Blackpaper BVI shall together remain as a group of controlling shareholders of the Company; and
  - (ii) for a period of five (5) years commencing from the date of Completion, each of Mr. Iu and Mr. Luk shall not dispose of all or any of their interest in Blackpaper BVI and shall procure Blackpaper BVI not to dispose of all or any of the Non-Transferrable Shares to any other third party to the effect that the Non-Transferrable Shares represent less than 65% shareholding interest in the Company; and
- (c) paragraph (b) above does not apply to the following circumstances:
- (i) the issue of new ordinary shares of the Company leading to the dilution of 65% shareholding interest in the Company held by Blackpaper BVI; and/or
  - (ii) other than the Non-Transferrable Shares, the sale, transfer, pledge, charge of and/or otherwise dealing with any additional ordinary share(s) in the Company to be acquired by, and/or to be issued by the Company to, Mr. Iu, Mr. Luk and/or Blackpaper BVI subsequent to the Completion.

Further announcement(s) in relation to the identity(ies) and background of the Selected Employees will be made once such information has been finalised.

The table below sets out the shareholding structure of Blackpaper BVI, which holds 67.5% of the entire issued share capital of the Company as at the date of this announcement, prior to and immediately after Completion:

<b>Shareholders</b>	<b>Shareholding structure prior to Completion</b> <i>Approximate percentage (%)</i>	<b>Shareholding structure after Completion</b> <i>Approximate percentage (%)</i>
Mr. Iu	33.33	50.0
Mr. Luk	33.33	50.0
Mr. Tsui	33.33	—
<i>Total</i>	<u><b>100</b></u>	<u><b>100</b></u>

## **DEFINITION**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Award Shares”	6,750,000 ordinary shares in the Company (representing 2.5% of the entire issued share capital of the Company as at the date of this announcement) held by Blackpaper BVI
“Blackpaper BVI”	Blackpaper Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“Board”	the board of Directors
“Company”	Most Kwai Chung Limited (毛記葵涌有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1716)
“Completion”	completion of the sale and purchase of the Sale Share
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Iu”	Mr. Iu Kar Ho (姚家豪), an executive Director and a controlling shareholder of the Company

“Mr. Luk”	Mr. Luk Ka Chun (陸家俊), an executive Director and a controlling shareholder of the Company
“Mr. Tsui”	Mr. Tsui Ka Ho (徐家豪), a former executive Director and controlling shareholder of the Company
“Non-Transferrable Shares”	175,500,000 ordinary shares in the Company held by Blackpaper BVI
“Sale and Purchase Agreement”	the sale and purchase agreement entered into among Mr. Tsui, Mr. Iu and Mr. Luk on 1 August 2021 in relation to the sale and purchase of the Sale Share
“Sale Share”	one share in Blackpaper BVI held by Mr. Tsui for sale under the Sale and Purchase Agreement, representing approximately 33.33% of the entire issued share capital of Blackpaper BVI
“Selected Employees”	certain long-serving employees of the Group, as designated by Mr. Tsui
“%”	per cent.

By order of the Board  
**Most Kwai Chung Limited**  
**Iu Kar Ho**  
*Chairman*

Hong Kong, 1 August 2021

*As at the date of this announcement, the Board comprises Mr. Iu Kar Ho, Mr. Luk Ka Chun and Mr. Tsui Ka Ho as executive Directors, and Mr. Leung Wai Man, Mr. Ho Kwong Yu and Mr. Leung Ting Yuk as independent non-executive Directors.*