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## **ACCEL GROUP HOLDINGS LIMITED**

### **高陸集團控股有限公司**

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

**(Stock code: 1283)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Prospectus of the Company dated 27 September 2019 and Announcement dated 30 March 2021 in relation to, among other things, the Connected Employee Employment Contracts with the Connected Employees and Mr. KT Chow.

The Board is pleased to announce that on 31 March 2022 (after trading hours), Chit Tat (i) terminated the employment of each of the Connected Employee with effect from 31 March 2022; and (ii) entered into the New Employment Contracts with each of the Connected Employees in relation to their respective employment with the Group. Pursuant to the New Employment Contracts, each of the Connected Employee is employed under the new terms. Under the New Employment Contracts, the Connected Employees will continue to take up employment at their respective role at the Group for a period of three years from 1 April 2022.

### **LISTING RULES IMPLICATIONS**

Each of the Connected Employees is a connected person of the Company. Therefore, the transactions contemplated under the New Employment Contracts constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) the Connected Employees are either siblings or relatives of the three Directors, Dr. Ko, Ms. Cheung and Mr. CK Ko; and (ii) the nature of the New Employment Contracts are the same, such transactions shall be aggregated in accordance with Rule 14A.81 of the Listing Rules.

As the Annual Caps of the New Employment Contracts exceeded the de minimis threshold of HK\$3,000,000, but each of the applicable percentage ratios calculated in accordance with Chapter 14A of the Listing Rules was less than 5%, the transactions contemplated under the New Employment Contracts were subject to the reporting and announcement requirements but were exempt from the circular, independent financial advice and Shareholders' approval requirements.

Reference is made to the prospectus (the “**Prospectus**”) of the Company dated 27 September 2019 in relation to, among other things, the employment of employees (the “**Connected Employees**”, and each a “**Connected Employee**” together with Mr. KT Chow), who are connected persons of the Company by Chit Tat (an indirectly wholly-owned subsidiary of the Company).

## **BACKGROUND**

Prior to the Listing, on 10 September 2019, each of the Connected Employees, namely Mr. Cheung Choi On, Mr. Wong Kai Chau, Ms. Ko Karlie, Mr. Wong Hau Wai, Ms. Wong Hoi Yan and Ms. Wong Hoi Ki, respectively entered into a supplemental written employment contract (for amending his/her then existing employment contract) (the “**Connected Employee Employment Contracts**”) with Chit Tat for a term of three years upon Listing.

On 31 March 2022 (after trading hours), Chit Tat (i) terminated the employment of each of the Connected Employee with effect from 31 March 2022; and (ii) entered into the New Employment Contracts (the “**New Employment Agreements**”, and each a “**New Employment Agreement**”) with each of the Connected Employees. Pursuant to the New Employment Agreements, each of the Connected Employee is employed under the new terms. Under the New Employment Contracts, the Connected Employees will continue to take up employment at their respective role at the Group for a period of three years from 1 April 2022.

## PRINCIPAL TERMS

The principal terms of the New Employment Agreements are:

Date:	31 March 2022
Parties:	(1) Chi Tat; and (2) Each of the Connected Employees
Terms:	Commencing from 1 April 2022 to 31 March 2025
Scope of services to be provided by the Connected Employees:	Human resources management, sub-contracting, accounting, supervisory and project executive services
Consideration:	An aggregate annual salary not exceeding the Annual Caps (as defined below) for each of the year ending 31 March 2023, 2024 and 2025
Payment terms:	The monthly salary payable to each of the Connected Employee shall be paid within 7 days after the end of each month

## HISTORICAL AMOUNTS

The historical amounts of the total remuneration (the “**Total Remuneration**”, including salaries and allowances, discretionary bonus and retirement benefits scheme contributions) paid to the Connected Employees and Mr. KT Chow for the years ended 31 March 2020, 2021 and 2022 are HK\$2,990,000, HK\$3,302,000 and HK\$3,247,000, respectively.

## ANNUAL CAPS

The Directors estimate that the Total Remuneration payable to the Connected Employees will not exceed HK\$4,000,000, HK\$4,400,000 and HK\$4,840,000 for the year ended 31 March 2023, 2024, and 2025, respectively (the “**Annual Caps**”), as determined by our Directors with reference to the contractual amounts payable under the New Employment Contracts and the expected adjustments in their salaries during the relevant contractual period.

## **BASIS OF DETERMINATION OF CONSIDERATION AND ANNUAL CAP**

The proposed Annual Caps under the New Employment Agreements were determined with reference to (i) the historical amounts of the Total Remuneration paid under the Connected Employee Employment Agreements; (ii) the prevailing market conditions, (iii) the expected adjustments in their salaries during the relevant contractual period; and (iv) the expected amount of discretionary bonus and overtime pay that may be payable to the Connected Employees during the relevant contractual period. Each of the New Employment Agreement was reached after arm's length negotiations between the Chit Tat and each of the Connected Employee.

## **REASONS FOR AND BENEFITS OF THE NEW EMPLOYMENT AGREEMENTS**

The Connected Employees were employed by Chit Tat prior to the Listing. Such employees were continued to be employed following the Listing as (i) they were long-term employees of the Group; (ii) they possessed the relevant skills, experience and qualifications for their respective roles; and (iii) their work performance has always been satisfactory during their period of employment with the Group.

## **DIRECTORS' CONFIRMATION IN RESPECT OF THE NEW EMPLOYMENT AGREEMENTS**

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the New Employment Contracts had been conducted in the ordinary and usual course of business of the Group and are on normal commercial terms, and that the terms of the New Employment Contracts and the Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

None of the Directors is considered to have a material interest in the transactions contemplated under the New Employment Contracts. Nevertheless, for good corporate governance, Dr. Ko, Ms. Cheung and Mr. CK Ko have abstained from voting on the relevant board resolution in approving the entering into the New Employment Contracts in light of their relationship with the Connected Employees.

## **INFORMATION OF THE PARTIES**

The Company is an investment holding company incorporated in the Cayman Islands as an exempted company with limited liability.

Chit Tat, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of the Company which principally engages in the supply, installation and maintenance of mechanical ventilation and air-conditioning systems in Hong Kong.

The Connected Employees are either siblings or relatives of the three Directors, Dr. Ko, Ms. Cheung and Mr. CK Ko. The details of their relationships with the Directors are set out as follows:

<b>Name</b>	<b>Connected relationship</b>
Mr. Cheung Choi On	Mr. Cheung Choi On is a brother of Ms. Cheung, a brother-in-law of Dr. Ko and an uncle of Mr. CK Ko.
Mr. Wong Kai Chau	Mr. Wong Kai Chau is a brother-in-law of Ms. Cheung and an uncle of Mr. CK Ko.
Ms. Ko Karlie	Ms. Ko Karlie is a niece of Dr. Ko and a cousin of Mr. CK Ko.
Mr. Wong Hau Wai	Mr. Wong Hau Wai is a nephew of Ms. Cheung and a cousin of Mr. CK Ko.
Ms. Wong Hoi Yan	Ms. Wong Hoi Yan is a niece of Ms. Cheung and a cousin of Mr. CK Ko.
Ms. Wong Hoi Ki	Ms. Wong Hoi Ki is a niece of Ms. Cheung and a cousin of Mr. CK Ko.

## **LISTING RULES IMPLICATIONS**

Each of Connected Employees is a connected person of the Company. Therefore, the transactions contemplated under the New Employment Contracts constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) the Connected Employees are either siblings or relatives of the three Directors, Dr. Ko, Ms. Cheung and Mr. CK Ko; and (ii) the nature of the New Employment Contracts are the same, such transactions shall be aggregated in accordance with Rule 14A.81 of the Listing Rules.

As the Annual Caps exceeded the de minimis threshold of HK\$3,000,000, but each of the applicable percentage ratios calculated in accordance with Chapter 14A of the Listing Rules was less than 5%, the transactions contemplated under the New Employment Contracts were subject to the reporting and announcement requirements but were exempt from the circular, independent financial advice and Shareholders' approval requirements.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Chit Tat”	Chit Tat Electrical Engineering Limited (捷達機電工程有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Company”	Accel Group Holdings Limited (高陞集團控股有限公司) a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1283)
“Connected Employees”	Mr. Cheung Choi On, Mr. Wong Kai Chau, Mr. Chow Kin To, Ms. Ko Karlie, Mr. Wong Hau Wai, Ms. Wong Hoi Yan and Ms. Wong Hoi Ki
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Dr. Ko”	Dr. Ko Lai Hung (高黎雄), an executive Director, the chairman of the Board, the chief executive officer of the Company, one of the Controlling Shareholders, the spouse of Ms. Cheung and the father of Mr. CK Ko
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administration Region of the People’s Republic of China
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. CK Ko”	Mr. Ko Angus Chun Kit (高俊傑), a non-executive Director, and the son of Dr. Ko and Ms. Cheung
“Mr. KT Chow”	Mr. Chow Kin To is a nephew of Dr. Ko and a cousin of Mr. CK Ko, who was an employee under the Connected Employee Employment Contracts, and whose employment was terminated on 6 February 2021
“Ms. Cheung”	Ms. Cheung Mei Lan (張美蘭), an executive Director, one of the Controlling Shareholders, the spouse of Dr. Ko and the mother of Mr. CK Ko
“Share(s)”	ordinary share(s) in the share capital of the Company with par value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**Accel Group Holdings Limited**  
**Ko Lai Hung**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 31 March 2022

*As at the date of this announcement, the executive Directors are Dr. Ko Lai Hung and Ms. Cheung Mei Lan; the non-executive Director is Mr. Ko Angus Chun Kit and the independent non-executive Directors are Mr. Chan Cheong Tat, Ms. Tse Ka Wing and Mr. Ho Chi Shing.*