

---

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

---

**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 stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in **Chongqing Hongjiu Fruit Co., Limited**, you should at once pass this circular, together with the enclosed proxy form, to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**Chongqing Hongjiu Fruit Co., Limited**  
**重慶洪九果品股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6689)**

**ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**REFRESHMENT OF GENERAL MANDATE TO ISSUE DOMESTIC SHARES**  
**AND/OR H SHARES OF THE COMPANY**  
**AND**  
**NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING**

---

The EGM will be held at 10:00 a.m. on Saturday, February 4, 2023 at the Conference Room, 22/F, Block B, CREGFenghui International, 3 Donghu South Road, Yubei District, Chongqing, the PRC. A notice of the EGM is set out on pages 7 to 8 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM carefully and to complete the enclosed proxy form(s) in accordance with the instructions printed thereon and return to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by hand or by post no later than 24 hours before the time appointed for convening the EGM or any adjourned meeting thereof. Completion and return of the proxy form(s) will not preclude you from attending and voting at the EGM or any adjourned meeting(s) thereof in person if you so wish.

January 20, 2023

---

## CONTENTS

---

	<i>Page</i>
Definitions .....	1
Letter from the Board .....	4
Notice of 2023 First Extraordinary General Meeting .....	7
Appendix I            Businesses of the EGM .....	9

---

## DEFINITIONS

---

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

“Board” or “Board of Directors”	the board of directors of the Company
“Capitalization Issue”	the proposal for capitalization issue reviewed and approved at the 2022 third extraordinary general meeting, the 2022 first Domestic Share class meeting and the 2022 first H Share class meeting of the Company
“Company”	Chongqing Hongjiu Fruit Co., Limited (重慶洪九果品股份有限公司), a limited liability company incorporated in the PRC on October 12, 2002 and converted into a joint stock limited company incorporated in the PRC on April 26, 2013, whose predecessor was Chongqing Hongjiu Fruit Company Limited (重慶洪九果品有限公司) and whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which is(are) subscribed for or credited as paid in Renminbi
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“EGM”	the 2023 first extraordinary general meeting of the Company to be held at 10:00 a.m. on Saturday, February 4, 2023 at the Conference Room, 22/F, Block B, CREGFenghui International, 3 Donghu South Road, Yubei District, Chongqing, the PRC
“Existing General Mandate”	the general mandate approved at the 2022 third extraordinary general meeting of the Company, which was granted to the Board and its authorized persons to decide to separately or concurrently allot, issue and deal with not more than 20% of the respective number of the relevant Domestic Shares and/or H Shares in issue when the Existing General Mandate was considered and approved at the general meeting

---

## DEFINITIONS

---

“Group”	the Company and its consolidated subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each which is(are) listed on the Stock Exchange and traded in Hong Kong dollars (stock code: 6689)
“H Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	January 16, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Refreshed General Mandate”	the general mandate proposed to be approved at the EGM, which is to be granted to the Board and its authorized persons to decide to separately or concurrently allot, issue and deal with not more than 20% of the respective number of the relevant Domestic Shares and/or H Shares in issue when the Refreshed General Mandate is considered and approved at the EGM following the completion of the Capitalization Issue
“Remuneration Plan for Directors and Supervisors”	the Remuneration Plan for Directors and Supervisors of the Company, as amended, supplemented or otherwise modified from time to time
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC

---

## DEFINITIONS

---

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of the Company, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company, including Domestic Shareholder(s) and H Shareholder(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company

---

LETTER FROM THE BOARD

---



**Chongqing Hongjiu Fruit Co., Limited**  
**重慶洪九果品股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6689)**

***Executive Directors:***

Mr. Deng Hongjiu (*Chairman*)  
Ms. Jiang Zongying  
Mr. Peng He  
Mr. Yang Junwen  
Ms. Tan Bo

***Registered office:***

509-36 Industry Incubator Building  
Baiyan Group of Chengnan Residential Committee  
Nanbin Town  
Shizhu Tujia Autonomous County  
Chongqing  
PRC

***Non-executive Directors:***

Mr. Xia Bei  
Mr. Dong Jiaxun  
Mr. Chen Tongtong

***Principal place of business in the PRC:***

22/F, Block B  
CREGFenghui International, Donghu South Road  
Yubei District  
Chongqing  
PRC

***Independent Non-executive Directors:***

Ms. Fan Weihong  
Ms. Liu Xiuqin  
Mr. An Rui  
Mr. Liu Anzhou

***Place of business in Hong Kong:***

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon  
Hong Kong

January 20, 2023

*To the H Shareholders*

Dear Sir or Madam,

**ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR  
REFRESHMENT OF GENERAL MANDATE TO ISSUE DOMESTIC SHARES  
AND/OR H SHARES OF THE COMPANY  
AND  
NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the notice of the EGM, and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

---

## **LETTER FROM THE BOARD**

---

### **2. PROPOSALS TO BE CONSIDERED AT THE EGM**

The proposal to be presented at the EGM for approval by way of ordinary resolution includes: (1) election of independent non-executive Director.

The proposal to be presented at the EGM for approval by way of special resolution includes: (1) refreshment of general mandate to issue Domestic Shares and/or H Shares.

In order to enable you to have a better understanding of the above resolutions and to make an informed decision thereon, we have provided detailed information to the Shareholders in Appendix I to this circular, which includes the information and explanation on the resolutions proposed to be passed at the EGM.

### **3. THE EGM**

The proxy form for the EGM is enclosed in this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM carefully and to complete the enclosed proxy form in accordance with the instructions printed thereon and return to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by hand or by post no later than 24 hours before the time appointed for convening the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting(s) thereof in person if you so wish.

### **4. CLOSURE OF H SHARE REGISTER OF MEMBERS**

For the purpose of determining the H Shareholders' entitlement to attend the EGM, the H Share register of members of the Company will be closed from Wednesday, February 1, 2023 to Saturday, February 4, 2023 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, January 31, 2023.

---

## LETTER FROM THE BOARD

---

### 5. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll. Therefore, all resolutions set out in the notice of the EGM will be voted by poll. The poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at <https://www.hjfruit.com> upon the conclusion of the EGM.

### 6. RECOMMENDATION

The Board considers that the resolutions set out in the notice of the EGM are in the interests of the Company and its Shareholders as a whole. Therefore, the Board recommends you to vote in favor of the proposed resolutions mentioned above.

Yours faithfully,

By order of the Board

**Chongqing Hongjiu Fruit Co., Limited**

**Deng Hongjiu**

*Chairman of the Board and Executive Director*



---

## NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

---



### Chongqing Hongjiu Fruit Co., Limited 重慶洪九果品股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 6689)

#### NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 2023 first extraordinary general meeting (“EGM”) of Chongqing Hongjiu Fruit Co., Limited (the “Company”) will be held at 10:00 a.m. on Saturday, February 4, 2023 at the Conference Room, 22/F, Block B, CREGFenghui International, 3 Donghu South Road, Yubei District, Chongqing, the PRC, to consider and, if thought fit, pass the following resolutions:

#### ORDINARY RESOLUTION

1. To consider and approve the election of independent non-executive director

#### SPECIAL RESOLUTION

2. To consider and approve the refreshment of general mandate to issue Domestic Shares and/or H Shares of the Company

By order of the Board

**Chongqing Hongjiu Fruit Co., Limited**  
**Deng Hongjiu**

*Chairman of the Board and Executive Director*

Chongqing, the PRC  
January 20, 2023

*As at the date of this notice, the Board comprises Mr. Deng Hongjiu as the chairman of the Board and an executive Director, Ms. Jiang Zongying, Mr. Peng He, Mr. Yang Junwen and Ms. Tan Bo as executive Directors, Mr. Xia Bei, Mr. Dong Jiaxun and Mr. Chen Tongtong as non-executive Directors, and Ms. Fan Weihong, Ms. Liu Xiuqin, Mr. An Rui and Mr. Liu Anzhou as independent non-executive Directors.*

---

# NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

---

*Notes:*

## **1. Voting by poll**

Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all votes of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the EGM will be voted by poll. The poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at <https://www.hjfruit.com> upon the conclusion of the EGM.

## **2. Eligibility for attending the EGM and closure of H share register of members**

For the purpose of determining the H shareholders' entitlement to attend the EGM, the H share register of members of the Company will be closed from Wednesday, February 1, 2023 to Saturday, February 4, 2023 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, January 31, 2023. H shareholders of the Company whose names appear on the register of members of the Company on Wednesday, February 1, 2023 are entitled to attend the EGM.

A shareholder or his/her proxy should present proof of identity when attending the EGM. If a shareholder is a legal person, its legal representative or other person authorized by the board of directors or other governing body of such shareholder may attend the EGM by providing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

## **3. Proxy**

- (1) Each shareholder who has the right to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies in writing to attend and vote on his/her behalf at the meeting. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.

H shareholders shall lodge the proxy form, together with the notarized power of attorney or other document of authorization, to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for convening the EGM.

- (3) Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.
- (4) In the case of joint shareholders and more than one of the shareholders attending the meeting, whether in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

## **4. Miscellaneous**

- (1) The EGM is expected to last for no more than half a day. Shareholders and their proxies attending the meeting are responsible for their own traveling and accommodation expenses.

## ORDINARY RESOLUTION

**1. CONSIDERING AND APPROVING THE ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

Reference is made to the announcement of the Company dated January 10, 2023 in relation to, among other things, the proposed appointment of Ms. Xu Kemei (“**Ms. Xu**”) as an independent non-executive Director of the fourth session of the Board of the Company.

The biographical details of Ms. Xu as required to be disclosed by Rule 13.51(2) of the Listing Rules are as follows:

Ms. Xu Kemei (徐克美), aged 54, served as an accountant of Chongqing Iron and Steel (Group) Co., Ltd. (重慶鋼鐵(集團)有限公司) from September 1988 to January 1995; served as a certified public accountant and the department manager of Chongqing Tianjian Certified Public Accountants (重慶天健會計師事務所, formerly known as Chongqing Certified Public Accountants (重慶市會計師事務所)) from February 1995 to August 2001; served as the project manager of Zhongjingfu Certified Public Accountants (中京富會計師事務所) from September 2001 to April 2002; and has been the head of Chongqing Branch of Yongtuo Certified Public Accountants (Special General Partnership) (永拓會計師事務所(特殊普通合伙)重慶分所) since May 2002. She served as an independent director of Guangdong HEC Technology Holding Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600673) from June 2002 to May 2008; served as an independent director of CPI Yuanda Environmental-Protection (Group) Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600292) from May 2015 to October 2019; served as an independent director of Zhubajie Co., Ltd. (豬八戒股份有限公司) from January 2019 to May 2022; has been an independent director of Guangdong Halo Microelectronics Co., Ltd (廣東希荻微電子股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688173) since December 2020; and has been an independent director of Chongqing Runji Far East New Material Technology Co., Ltd. (重慶潤際遠東新材料科技股份有限公司) since September 2021.

Ms. Xu graduated from Chongqing Technology and Business University with a bachelor’s degree in accounting in 1997 and obtained a postgraduate degree from the Graduate School of the Research Institute of the Ministry of Finance (財政部研究所研究生班) in 1999. Ms. Xu is currently a certified public accountant, a certified public valuer and a certified tax agent with extensive experience in accounting and auditing.

If Ms. Xu is appointed as an independent non-executive Director, the Company will enter into a service contract with Ms. Xu. Her term of office shall commence from the date of consideration and approval at the EGM until the expiry of the term of the fourth session of the Board of the Company, and she is eligible for re-election upon the expiry of her term of office. Remuneration of Ms. Xu shall be determined in accordance with the Remuneration Plan for Directors and Supervisors, which is RMB100,000 per year and will be disclosed in the annual

report of the Company. Ms. Xu has confirmed that she has fulfilled the independent factors as stipulated in Rule 3.13 of the Listing Rules. The Company considers that Ms. Xu is independent according to the guidelines on independence under the Listing Rules.

Save as disclosed in this circular, Ms. Xu confirms that she did not hold directorship in any listed company, the securities of which are listed on any securities market either in Hong Kong or overseas in the past three years; does not have any relationship with any Director, Supervisor, senior management, substantial shareholder or controlling shareholder of the Company, nor does she hold any position in the Company or any of its subsidiaries. She does not own any interest in the shares of the Company or its associated corporations (as defined in Part XV of the SFO); has no information that shall be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules, and does not participate and has never participated in matters that shall be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules; nor has she participated in other matters that need to be brought to the attention of the Shareholders.

### **SPECIAL RESOLUTION**

#### **2. CONSIDERING AND APPROVING THE REFRESHMENT OF GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND/OR H SHARES OF THE COMPANY**

At the 2022 third extraordinary general meeting, the 2022 first Domestic Share class meeting and the 2022 first H Share class meeting of the Company held on December 30, 2022, the Shareholders considered and approved, among other things, (1) the Capitalization Issue, and (2) the Existing General Mandate. In order to meet the needs of the Company's business development and further enhance its capital and comprehensive strength, the Board proposes to the EGM to refresh the Existing General Mandate based on the total share capital following the completion of the Capitalization Issue.

##### **(1) Existing General Mandate**

The Existing General Mandate was considered and approved at the 2022 third extraordinary general meeting of the Company, which was granted to the Board and its authorized persons to decide to separately or concurrently allot, issue and deal with not more than 20% of the respective number of the relevant Domestic Shares and/or H Shares in issue when the Existing General Mandate was considered and approved at the 2022 third extraordinary general meeting, i.e. 31,311,481 Domestic Shares and 62,162,279 H Shares.

Since the consideration of the Existing General Mandate by the Shareholders at the 2022 third extraordinary general meeting of the Company and up to the Latest Practicable Date, the Company has not actually exercised or refreshed the Existing General Mandate.

**(2) Proposed Grant of Refreshed General Mandate**

The Board intends to propose to the general meeting to refresh the Existing General Mandate, which is to be granted to the Board and its authorized persons to decide to separately or concurrently allot, issue and deal with not more than 20% of the respective number of the relevant Domestic Shares and/or H Shares in issue when the Refreshed General Mandate is considered and approved at the EGM following the completion of the Capitalization Issue. Upon completion of the Capitalization Issue, the registered capital of the Company will increase to RMB1,402,106,406 and the total share capital will enlarge to 1,402,106,406 Shares. If the Company will not further issue and/or repurchase any Shares during the period commencing from the Latest Practicable Date and up to the date when the Refreshed General Mandate is considered and approved at the EGM, the Refreshed General Mandate shall permit the Company to allot and issue up to 93,934,444 Domestic Shares and 186,486,837 H Shares.

As the number of new Shares to be allotted and issued under the Refreshed General Mandate is, in percentage terms, the same as the unused portion of the Existing General Mandate, pursuant to Rule 13.36(4)(e) of the Listing Rules, the Company is required to obtain Shareholders' approval and comply with Rule 13.36(4)(d) of the Listing Rules.

The validity period of the Refreshed General Mandate shall commence on the date of passing of this resolution at the EGM by special resolution and end on whichever is the earliest of:

- (i) the expiry of the 12-month period after the approval of this resolution at the EGM by special resolution;
- (ii) the conclusion of the 2022 annual general meeting of the Company; or
- (iii) the date on which the mandate under this resolution is revoked or varied by special resolution of the Shareholders at any general meeting of the Company.

Save for the above, the contents of the relevant resolutions in relation to the Existing General Mandate remain unchanged.

**(3) Reasons for the Refreshment of Existing General Mandate**

The Group mainly focuses on the entire supply chain operations for quality fruits primarily from China, Thailand and Vietnam. The H Shares of the Company were listed on the Stock Exchange on September 5, 2022, and net proceeds from the global offering of the H Shares amounted to approximately HK\$507.84 million, the majority of which were utilized as of the Latest Practicable Date. The net proceeds are expected to be fully utilized in the first half of 2023. It is expected that the Capitalization Issue will be completed by January 27, 2023, and the total share capital of the Company immediately following the completion of the Capitalization Issue will be enlarged to 1,402,106,406 Shares, including 469,672,221 Domestic Shares and 932,434,185 H Shares.

Since the next annual general meeting of the Company will be held no later than June 30, 2023, the Company may not have adequate general mandate to catch the fundraising and/or investment opportunities arising before the next annual general meeting. Therefore, the Board recommends the approval of the Refreshed General Mandate at the EGM, so that the Board will issue new Shares based on the refreshed cap and the Company will be provided with the flexibility and ability to seize suitable fundraising or business opportunities at an appropriate time. Fundraising pursuant to a general mandate provides a simpler and less lead time process than other types of fundraising methods such as rights issue, open offer and debt financing and could avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

The Board believes that it is necessary to refresh the Existing General Mandate at the moment, mainly taking into account the following factors:

From the perspective of the macroeconomic environment and the overall performance of the capital market, observing that the Hang Seng Index has increased by approximately 47% from November 2022 to the Latest Practicable Date while considering the consistent economic resilience and financial depth of China, the Board is optimistic about the overall performance of China's economy and capital market in the first half of 2023. Therefore, the Board believes that the refreshment of the Existing General Mandate will give the Company more flexibility to better grasp the good financing opportunities in capital market and potential investment opportunities that may arise at any time. From the perspective of the Company's business development and strategy, the peak seasons for sales and procurement of the Group's core fruit products are generally summer and autumn, although the Board is totally confident that the Company's existing capital and other resources can support the Company's sustainable and healthy development and ensure a continuous and high-quality fruit supply, the Company may require additional short-term capital to respond to the changing market environment and seize potential opportunities to increase its market share and consolidate its leading position before the next annual general meeting. The Refreshed General Mandate would provide the Group with the necessary flexibility to satisfy any possible funding needs for future business development.

The Directors have considered other financing alternatives apart from equity financing such as rights issue, open offer and debt financing to meet its financing needs arising from any future development of the Group, after taking into consideration then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. It usually takes more than three months to raise funds by rights issue or open offer and it may not allow the Company to grasp potential opportunities in a timely manner. Rights issue and open offer will also incur high underwriting commission and involve extra administrative work and cost for the trading arrangements. Debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence, increasing in gearing ratio and negotiations with the banks.

As of the Latest Practicable Date, the Company has not identified or is in negotiation with any investment opportunities or fundraising plans. However, potential investment opportunities or financing opportunities may arise at any time and the Company may propose to conduct investment or equity fundraising in the future based on the market conditions and the Company's business needs for funding. Therefore, it is crucial to provide the Group with the flexibility to have immediate access to cash resources for appropriate opportunities. In the event of possible investment or equity fundraising, the Company will comply with Rule 10.08 of the Listing Rules and other applicable laws and regulations, and announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

Based on the foregoing, the Directors consider that the refreshment of the Existing General Mandate is in the interest of the Company and the Shareholders as a whole.