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HONG KONG RESOURCES HOLDINGS COMPANY LIMITED

香港資源控股有限公司

*(Incorporated in Bermuda with limited liability
and carrying on business in Hong Kong as HKRH China Limited)*

(Stock code: 2882)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN
RESPECT OF
THE TENANCY AGREEMENTS;
AND
(2) CONTINUING CONNECTED TRANSACTIONS IN
RESPECT OF
(A) THE SUPPLY AGREEMENT;
(B) THE PURCHASE AGREEMENT;
(C) THE FRANCHISE AGREEMENT;
(D) THE SERVICE AGREEMENT; AND
(E) THE IT SYSTEM AGREEMENT**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN
RESPECT OF THE TENANCY AGREEMENTS**

The Board announces that on 8 May 2024, (i) various subsidiaries of the Company entered into the PRC Tenancy Agreements with the PRC Landlords in respect of the lease of the PRC Premises at the aggregate monthly rent of RMB526,270 (equivalent to approximately HK\$570,213); and (ii) 3DM (being an indirect subsidiary of the Company) entered into the HK Tenancy Agreements with Ultra Power (being an indirect wholly-owned subsidiary of Luk Fook Holdings) and Green Rich (being an indirect wholly-owned subsidiary of Luk Fook Holdings) in respect of the lease of the HK Premises at the aggregate monthly rent of HK\$263,333.

IMPLICATIONS UNDER THE LISTING RULES

As the Tenancy Agreements were entered into with the PRC Landlords, Ultra Power and Green Rich, the transactions contemplated under the Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 14 of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the Tenancy Agreements will require the Group to recognise the PRC Premises and HK Premises as the right-of-use assets on its balance sheet, thus the entering into of the Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the Tenancy Agreements and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 14 of the Listing Rules.

As at the date of this announcement, (i) each of Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is an indirect wholly-owned subsidiary of Luk Fook Holdings; and (ii) Mr. WONG Ho Lung Danny is an executive director of the Company and CGS and (a) he owns 50% interest in Chongqing Jian-yi; and (b) is one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan; thus each of Chongqing Jian-yi, Chongqing Bo-yuan, Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) CONTINUING CONNECTED TRANSACTIONS

(A) THE SUPPLY AGREEMENT

The Board announces that on 8 May 2024, CGS (being a subsidiary of the Company) and Maxigood (being an indirect wholly-owned subsidiary of Luk Fook Holdings) entered into the Supply Agreement in respect of the supply of raw materials and/or finished goods in respect of platinum and gold jewellery and gold ornaments, gem-set jewellery, jadeites, gemstones and other accessory items.

(B) THE PURCHASE AGREEMENT

The Board announces that on 8 May 2024, CGS (being a subsidiary of the Company) and Maxigood (being an indirect wholly-owned subsidiary of Luk Fook Holdings) entered into the Purchase Agreement in respect of the purchase of raw materials and/or finished goods in respect of platinum and gold jewellery and gold ornaments, gem-set jewellery, jadeites, gemstones and other accessory items.

(C) THE FRANCHISE AGREEMENT

The Board announces that on 8 May 2024, Zun Fu Chongqing (being an indirect subsidiary of the Company) and Chongqing Bo-yuan entered into the Franchise Agreement in respect of the grant of the licence by Chongqing Bo-yuan to the CGS Group for the use of the Computer Programs.

(D) THE SERVICE AGREEMENT

The Board announces that on 8 May 2024, Zun Fu Chongqing (being an indirect subsidiary of the Company) and Chongqing Bo-yuan entered into the Service Agreement in respect of the provision of certain maintenance services for the Computer Programs by Chongqing Bo-yuan to the CGS Group.

(E) THE IT SYSTEM AGREEMENT

The Board announces that on 8 May 2024, CGS (being a subsidiary of the Company) and Luk Fook Holdings entered into the IT System Agreement in respect of the provision of certain information technology-related services by various subsidiaries of Luk Fook Holdings to the CGS Group.

IMPLICATIONS UNDER THE LISTING RULES

As (i) Luk Fook Holdings is a substantial shareholder of the Company; (ii) Maxigood is an indirect wholly-owned subsidiary of Luk Fook Holdings; and (iii) Mr. WONG Ho Lung, Danny is a non-executive director of Luk Fook Holdings, an executive director of the Company and CGS and one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo Yuan; each of Maxigood and Chongqing Bo Yuan is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the transactions under each of the Franchise Agreement and the Service Agreement are being services provided by Chongqing Bo-yuan to the CGS Group, the Franchise Agreement Annual Caps and the Service Agreement Annual Caps thereunder are aggregated and treated as if they were one transaction pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest of the Supply Agreement Annual Caps, the Purchase Agreement Annual Caps and the IT System Agreement Annual Caps exceed 5%, the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest of the Aggregated Annual Caps exceed 0.1% but all are less than 5%, and the highest of the Aggregated Annual Caps are more than HK\$3,000,000, the transactions contemplated under the Franchise Agreement and the Service Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne and Dr. CHOW Kwoon Ho, Simon, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

SGM

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder.

Shareholders including Luk Fook Holdings and its associates will abstain from voting on the relevant resolutions at the SGM. Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholder (or its associates) has a material interest in (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder, and is required to abstain from voting on the resolutions to approve the aforesaid matters at the SGM.

MISCELLANEOUS

A circular containing, among other things, (i) further details of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the SGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. As additional time is required by the Company to prepare the information to be included in the circular, the circular is expected to be despatched to the Shareholders on or before 3 June 2024.

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF THE TENANCY AGREEMENTS

The Board announces that on 8 May 2024, (i) various subsidiaries of the Company entered into the PRC Tenancy Agreements with the PRC Landlords in respect of the lease of the PRC Premises at the aggregate monthly rent of RMB526,270 (equivalent to approximately HK\$570,213); and (ii) 3DM (being an indirect subsidiary of the Company) entered into the HK Tenancy Agreements with Ultra Power (being an indirect wholly-owned subsidiary of Luk Fook Holdings) and Green Rich (being an indirect wholly-owned subsidiary of Luk Fook Holdings) in respect of the lease of the HK Premises at the aggregate monthly rent of HK\$263,333.

The principal terms of the PRC Tenancy Agreements are set out below:

1. Tenant: 3D Shenzhen

Date:	8 May 2024 (after trading hours)		
Landlord:	Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司)	Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司)	Luk Fook Commerce (Shenzhen) Co. Ltd.* (六福商業(深圳)有限公司)
PRC Premises:	Units 1701-1706, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC	Units 1707-1712, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC	A room at Atour Hotel, 26-31/F, Block A, Shuibei Jewellery Headquarters Building, No. 3008 Buxin Road, Dongxiao Street, Luohu District, Shenzhen, Guangdong, China
Lettable area: (sq. m.)	899.8	888.61	52

Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027	30 months from 1 January 2025 to 30 June 2027
Usage:	For use as office	For use as office	For use as accommodation for a secondment staff
Monthly rent:	RMB134,970	RMB133,291.5	RMB12,500
Deposit:	RMB269,940	RMB266,583	RMB12,500

2. Tenant: 3D Chongqing

Date:	8 May 2024 (after trading hours)	
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司)	Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶)有限公司)
PRC Premises:	Partial unit 1807B, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC	Units 1808-1809, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC
Lettable area: (sq. m.)	140.45	296.14
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027
Usage:	For use as office	For use as office
Monthly rent:	RMB21,067.5	RMB44,421
Deposit:	RMB42,135	RMB88,842

3. Tenant: Zun Fu Chongqing

Date:	8 May 2024 (after trading hours)	
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司)	Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司)
PRC Premises:	Units 1802-1806 & 1807A, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC	Partial area of third floor, No. 60, Liuhe Street, Dongchong Town, Nansha District, Guangzhou, China
Lettable area: (sq. m.)	761.87	83.4
Term:	36 months from 1 July 2024 to 30 June 2027	36 months from 1 July 2024 to 30 June 2027
Usage:	For use as office	For use as office
Monthly rent:	RMB114,280.5	RMB2,085
Management fee:	Nil	RMB1,584.6
Deposit:	RMB228,561	Nil

4. Tenant: Zhen Fu Beijing

Date:	8 May 2024 (after trading hours)
Landlord:	Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司)
PRC Premises:	No. 15, 3F, No. 7 Jianguomennei Street, Dongcheng District, Beijing, China
Lettable area: (sq. m.)	449.9
Term:	25 months from 1 June 2025 to 30 June 2027
Usage:	For use as office
Monthly rent:	RMB63,654
Deposit:	RMB120,000

The negotiation of the terms of the PRC Tenancy Agreements was conducted by the parties on an arm's length basis and each of the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage.

The rent payable by the Group for the PRC Premises is expected to be financed by internal resources of the Group.

The principal terms of the HK Tenancy Agreements are set out below:

Date:	8 May 2024 (after trading hours)	
Tenant:	3D-Gold Management Services Limited (金至尊管理服務有限公司)	
Landlord:	Ultra Power Corporation Limited (越能有限公司)	Green Rich Corporation Limited (富翠有限公司)
HK Premises:	Units 1506-1512, 1515 and 1516, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong	Car parking space no. P322, 3/F, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong
Net lettable area: (sq. m.)	690.27	11.33
Term:	35 months from 1 August 2024 to 30 June 2027 (both dates inclusive)	35 months from 1 August 2024 to 30 June 2027 (both dates inclusive)
Usage:	For use as office	Car parking
Monthly rent:	HK\$261,533	HK\$1,800
Management and air conditioning fees: (approx.)	HK\$39,581	NA
Security deposit: (approx.)	HK\$301,114	HK\$1,800

The negotiation of the terms of the HK Tenancy Agreements was conducted by the parties on an arm's length basis and each of the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage.

The rent payable by the Group for the HK Premises is expected to be financed by internal resources and loan facilities of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENTS

In respect of the PRC Tenancy Agreements

The CGS Group has an imminent need to renew the tenancy of the PRC Premises for use as office or seek other premises for continuance of its business. In evaluating the options of renewal of tenancy of the PRC Premises or leasing a new location, it is considered that the PRC Premises is located in an area where the CGS Group has been familiar with. Furthermore, the PRC Premises are furnished with renovation and furniture, which will save renovation and furniture costs for the Group.

In relation to a room at Atour Hotel, the Group intended to lease such room at Atour Hotel as accommodation for a secondment staff and it constitutes part of his remuneration package.

In respect of the HK Tenancy Agreements

The CGS Group has an imminent need to renew the tenancy of the HK Premises or seek other premises for the continuation and expansion of its business. In evaluating the options of renewal of tenancy of the HK Premises or leasing a new location, it is considered that the HK Premises are located in an area where the CGS Group is familiar. Furthermore, the HK Premises are furnished with renovations and furniture, which will save on renovation and furniture costs for the Group. Moreover, as the existing office space is not sufficient for the business development of the Group, the Group is in need of additional office space. The Directors considered that it would benefit the Group to have an office adjacent to the existing office premises so that all resources could be consolidated, enhancing efficiency compared to having geographically dispersed office locations.

The Directors have reviewed the Tenancy Agreements and considered that the Tenancy Agreements were entered into under normal commercial terms at comparable market rents. Having reviewed the terms of the Tenancy Agreements, the Board (excluding the independent non-executive Directors who will give their views after taking into account the opinion given by the Independent Financial Adviser) is of the view that the transaction was entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and confirmed that the terms of the transaction were fair and reasonable and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the Tenancy Agreements were entered into with the PRC Landlords, Ultra Power and Green Rich, the transactions contemplated under the Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 14 of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the Tenancy Agreements will require the Group to recognise the PRC Premises and HK Premises as the right-of-use assets on its balance sheet, thus the entering into of the Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the Tenancy Agreements and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, (i) each of Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is an indirect wholly-owned subsidiary of Luk Fook Holdings which is a substantial shareholder of the Company; and (ii) Mr. WONG Ho Lung Danny is an executive director of the Company and CGS and (a) he owns 50% interest in Chongqing Jian-yi; and (b) is one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan; thus each of Chongqing Jian-yi, Chongqing Bo-yuan, Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen, Guangzhou Li Ying, Ultra Power and Green Rich is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) CONTINUING CONNECTED TRANSACTIONS

(A) *The Supply Agreement*

The principal terms of the Supply Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Purchaser:	Maxigood Enterprises Limited (萬利佳企業有限公司)
Supplier:	China Gold Silver Group Company Limited (中國金銀集團有限公司)
Term:	1 July 2024 to 30 June 2027, unless or until terminated pursuant to the terms in the Supply Agreement.
Sale and purchase of goods:	CGS (for itself and as an agent for and on behalf of each of its subsidiaries) shall supply to Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) and Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) shall purchase from CGS (for itself and as an agent for and on behalf of each of its subsidiaries), raw materials and/or finished goods in respect of platinum and gold jewellery and gold ornaments, gem-set jewellery, jadeites, gemstones and other accessory items, subject to the terms and conditions of the Supply Agreement.

Each transaction shall be effected by the relevant purchase order to be entered into between CGS and Maxigood.

Pricing basis:

The pricing of the transactions contemplated under the Supply Agreement will be determined on the following basis:

- (a) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of CGS which is equivalent or comparable to those prices offered to third parties independent of CGS for similar goods and having regard to the quantity and other conditions of the sale; and
- (b) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of Maxigood which is equivalent or comparable to those prices obtained by Maxigood from third parties independent of Maxigood for similar goods and having regard to the quantity and other conditions of the purchase.

Prior to effecting the relevant sales order, CGS will obtain price quotations from independent third parties who intend to purchase the relevant product. The final determined price shall be approved by CGS's finance, procurement and operations departments. If CGS obtains more competitive price and terms for the relevant product from an independent third party, CGS will negotiate with Maxigood for comparable price and terms of the relevant product, and has full discretion to decide whether to engage Maxigood before effecting the sales order.

Payment term:

Maxigood shall pay to CGS within 30 business days after the date of the relevant invoice issued by CGS to Maxigood.

Historical figures:

Set out below are the aggregate historical amounts of the consideration received by the CGS Group for the transactions pursuant to the previous supply agreement for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount (HK\$'000) (approx.)	382	1,495	–

Annual caps:

With reference to the historical transaction amounts and the estimated growth of the CGS Group's business, the parties to the Supply Agreement had agreed on the following annual caps for the sale and purchase of goods (the "Supply Agreement Annual Caps"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount (HK\$'000) (approx.)	33,000	33,000	33,000

For the three years ending 30 June 2025, 2026 and 2027, it is estimated that the over five years aged products inventory to be sold by the CGS Group will amount to approximately HK\$33.0 million, HK\$33.0 million and HK\$33.0 million, respectively. The CGS Group may sell its products inventory to the its purchasers regardless of whether the purchaser is an independent third party or connected persons (i.e. the Luk Fook Group).

The Directors take the view that the CGS Group has the full discretion to decide which purchaser(s) to sell its products inventory to, but the annual caps will allow the CGS Group to have a flexibility to sell the accumulated products inventory to the Luk Fook Group, in the event the Luk Fook Group provides the best offer. The Board believes that, regardless of the historical amounts of consideration received by the CGS Group from the Luk Fook Group, the annual caps reflecting the maximum amount of inventory that could be sold by the CGS Group during the three years ending 30 June 2025, 2026 and 2027 will provide more flexibility, which is more favourable to the business operations of the CGS Group.

(B) The Purchase Agreement

The principal terms of the Purchase Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Purchaser:	China Gold Silver Group Company Limited (中國金銀集團有限公司)
Supplier:	Maxigood Enterprises Limited (萬利佳企業有限公司)
Term:	1 July 2024 to 30 June 2027, unless or until terminated pursuant to the terms in the Purchase Agreement.
Sale and purchase of goods:	CGS (for itself and as an agent for and on behalf of each of its subsidiaries) shall purchase from Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) and Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) shall supply to CGS (for itself and as an agent for and on behalf of each of its subsidiaries), raw materials and/or finished goods in respect of platinum and gold jewellery and gold ornaments, gem-set jewellery, jadeites, gemstones and other accessory items, subject to the terms and conditions of the Purchase Agreement.

Each transaction shall be effected by the relevant purchase order to be entered into between CGS and Maxigood.

Pricing basis:

The pricing of the transactions contemplated under the Purchase Agreement will be determined on the following basis:

- (a) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of Maxigood which is equivalent or comparable to those prices offered to third parties independent of Maxigood for similar goods and having regard to the quantity and other conditions of the sale; and
- (b) the price to be determined on a fair and reasonable basis in the ordinary and usual course of business of CGS which is equivalent or comparable to those prices obtained by CGS from third parties independent of CGS for similar goods and having regard to the quantity and other conditions of the purchase.

Prior to effecting the relevant purchase order, CGS will (i) obtain price quotations from independent third parties who offer the comparable product in terms of quality and specification; and (ii) to the extent possible, obtain market quotations of comparable products from official websites. The final determined price shall be approved by CGS's finance, procurement and operations departments. If CGS obtains more reasonable price and terms for the relevant product from an independent third party, CGS will negotiate with Maxigood for comparable price and terms of the relevant product, and has full discretion to decide whether to engage Maxigood before effecting the purchase order.

Payment term:

CGS shall pay to Maxigood within 30 business days after the date of the relevant invoice issued by Maxigood to CGS.

Historical figures:

Set out below are the aggregate historical amounts of the consideration paid by the CGS Group for the transactions pursuant to the previous purchase agreement for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount (HK\$'000) (approx.)	3,902	3,102	52,565

Annual caps:

With reference to the historical transaction amounts and the estimated growth of the CGS Group's business, the parties to the Purchase Agreement had agreed on the following annual caps for the sale and purchase of goods (the "**Purchase Agreement Annual Caps**"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount (HK\$'000) (approx.)	210,000	270,000	340,000

The Purchase Agreement Annual Caps were determined with reference to the ratio of actual purchases made by the CGS Group from the Luk Fook Group to the total purchases made by the CGS Group for the recent interim period of the current financial year 2023/24, which had increased significantly after the announcement of the possible acquisition of majority stake in the Group by the Luk Fook Group in July 2023 (the “**Acquisition**”). The Board considered the transactions with the Luk Fook Group to be in the interest of the CGS Group, as it would ensure reliable delivery of quality products to the CGS Group at prices and payment terms no less favourable to the CGS Group than terms available from independent third party suppliers.

Additionally, the cap amounts were determined with reference to the anticipated growth of business volume of the CGS Group for the financial years ahead. Subsequent to the completion of the Acquisition in January 2024, the business plans and strategies for the future business development of the CGS Group have been formulated continuously and gradually by the newly appointed Directors. For years, before the completion of the Acquisition and particularly in the midst of the covid 19 pandemic, the gold and jewellery retail and franchising business of the CGS Group had been loss-making while the network footprint had been down-sizing progressively. As at 31 December 2023, the self-operated and licensee points-of-sale of the CGS Group decreased to a total of 222, which is a scale much less than optimal from operational-efficiency perspective. It is anticipated that the CGS Group could achieve a business turnaround by adopting a proactive network expansion approach combined with other strategies.

(C) The Franchise Agreement

The principal terms of the Franchise Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Parties:	(1) Bo Yuan Gold Star Software (Chongqing) Company Limited (博遠金星軟件(重慶)有限公司) (2) Zun Fu Jewellery (Chongqing) Co., Ltd. (尊福珠寶(重慶)有限公司)
Term:	1 July 2024 to 30 June 2027, unless or until terminated pursuant to the terms in the Franchise Agreement.
License:	Subject to the receipt of the one off licence fee payable by Zun Fu Chongqing for the applicable period, Chongqing Bo-yuan will grant a non-exclusive licence for the use of the Computer Programs by the CGS Group.
Licence fee:	An one off licence fee covering the use of the Computer Programs by the CGS Group's retail outlets and head offices shall be payable by Zun Fu Chongqing to Chongqing Bo-yuan within 7 days of the relevant payment notice, which will be calculated in accordance with the licence fee pricing basis as described below.
Licence fee pricing basis:	The licence fee contemplated under the Franchise Agreement is determined with reference to the historical licence fees amounts plus the market inflation rate.

The one-off licence fees in relation to the use of the following products installed in the Hong Kong head office and PRC head office shall amount to HK\$3,911,200 and RMB0, respectively:

1. CHKPROG integrated data analysis and processing system;
2. Blue Star System for stocking division;
3. Red Star System of stocking;
4. products catalogue;
5. Gold Star Mall;
6. personnel appraisal and promotion system;
7. personnel management and payroll system;
8. franchisee management system; and
9. New City franchisee management system.

The one off licence fees in relation to the use of “Goldstar” POS system II shall amount to HK\$42,100 per disk installed in the Hong Kong head office and each of the retail outlets in Hong Kong and Macau; and RMB16,800 per disk installed in the PRC head office and each of the self-owned retail outlets in the PRC.

The one off licence fee in relation to the use of “GS Player” video information broadcasting system shall amount to HK\$6,500 for each of the Hong Kong and Macau retail outlets, and RMB3,300 for each of the PRC self-owned retail outlets.

Historical figures:

Set out below are the aggregate historical amounts of the licence fees paid by the CGS Group for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months 31 March 2024
Amount (HK\$'000) (approx.)	80	135	164

Annual caps:

With reference to the historical transaction amount, the CGS Group's existing number of head office and retail outlets as at the date of this announcement, and the estimated growth of the CGS Group's business, the parties to the Franchise Agreement had agreed on the following annual caps for the licence service (the "**Franchise Agreement Annual Caps**"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount (HK\$'000) (approx.)	2,000	2,000	2,000

The Franchise Agreement Annual Caps were determined with reference to the CGS Group's existing number of retail outlets and head offices as at the date of this announcement, the anticipated growth of business volume and the number of retail outlets for the financial years ahead, as well as the historical transaction amounts as disclosed above. Subsequent to the Acquisition, business plans and strategies for the future development of the CGS Group have been formulated continuously and gradually. It is anticipated that the CGS Group could achieve a business turnaround by adopting a proactive network expansion approach combined with other strategies. Additionally, the Franchise Agreement Annual Caps took into account a moderate inflation rate projection for the years ending 30 June 2025, 2026 and 2027.

(D) The Service Agreement

The principal terms of the Service Agreement are set out below:

Date:	8 May 2024 (after trading hours)
Parties:	(1) Bo Yuan GS Software (Chongqing) Co., Ltd. (博遠金星軟件(重慶)有限公司) (2) Zun Fu Jewellery (Chongqing) Co., Ltd. (尊福珠寶(重慶)有限公司)
Term:	1 July 2024 to 30 June 2027, unless or until terminated pursuant to the terms in the Service Agreement.
Maintenance service:	Subject to the receipt of the monthly maintenance fee payable by Zun Fu Chongqing for the applicable period, Chongqing Bo-yuan will provide maintenance service for the use of the Computer Programs by the CGS Group.
Maintenance fee:	A monthly maintenance fee covering the maintenance services for the use of the Computer Programs by the CGS Group's retail outlets and head offices shall be payable by Zun Fu Chongqing to Chongqing Bo-yuan in accordance with the timeframe set out in the payment notice issued by Chongqing Bo-yuan, which will be calculated in accordance with the maintenance fee pricing basis as described below.
Maintenance fee pricing basis:	The maintenance fee contemplated under the Service Agreement is determined with reference to the maintenance fee under the previous service agreement dated 6 July 2022 between Zun Fu Chongqing and Chongqing Bo-yuan plus the market inflation rate.

The annual maintenance fee in relation to the use of the following products installed in the Hong Kong head office and PRC head office shall amount to HK\$782,000 and RMB0, respectively:

1. CHKPROG integrated data analysis and processing system;
2. Blue Star System for stocking division;
3. Red Star System for stocking;
4. products catalogue;
5. Gold Star Mall;
6. personnel appraisal and promotion system;
7. personnel management and payroll system;
8. franchisee management system; and
9. New City franchisee management system.

The annual maintenance fee in relation to the use of “Goldstar” POS system II shall amount to HK\$13,200 per disk installed in each of the retail outlets in Hong Kong and Macau; and RMB22,200 per disk installed in each of the self-owned retail outlets in the PRC.

The annual maintenance fee in relation to the use of “GS Player” video information broadcasting system shall amount to HK\$1,300 for each of the Hong Kong and Macau retail outlets, and RMB1,300 for each of the PRC self-owned retail outlets.

Historical figures:

Set out below are the aggregate historical amounts of the maintenance fees paid by the CGS Group for the transactions pursuant to the previous service agreement for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount (HK\$'000) (approx.)	2,548	2,461	1,993

Annual caps:

With reference to the historical transaction amount, the CGS Group's existing number of head office and retail outlets as at the date of this announcement, and the estimated growth of the CGS Group's business, the parties to the Service Agreement had agreed on the following annual caps for the maintenance service (the "**Service Agreement Annual Caps**"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount (HK\$'000) (approx.)	5,000	6,000	7,000

The Service Agreement Annual Caps were determined with reference to the CGS Group's existing number of retail outlets and head offices as at the date of this announcement, the anticipated growth of business volume and the number of retail outlets for the financial years ahead, as well as the historical transaction amounts as disclosed above. Subsequent to the Acquisition, business plans and strategies for the future development of the CGS Group have been formulated continuously and gradually. It is anticipated that the CGS Group could achieve a business turnaround by adopting a proactive network expansion approach combined with other strategies. Additionally, the Service Agreement Annual Caps took into account a moderate inflation rate projection for the years ending 30 June 2025, 2026 and 2027.

(E) The IT System Agreement

Date: 8 May 2024 (after trading hours)

Parties: (1) Luk Fook Holdings (International) Limited (六福集團 (國際) 有限公司)

(2) China Gold Silver Group Company Limited (中國金銀集團有限公司)

Term: 1 July 2024 to 30 June 2027, unless or until terminated pursuant to the terms in the IT System Agreement.

Scope of transactions: The CGS Group may from time to time purchase information technology system services from the Luk Fook Group, which shall include (i) licensing of software, (ii) maintenance services, (iii) system and software implementation and customization, (iv) IT infrastructure and network, (v) technical support services and etc. in relation to business process & backend support applications and operating systems.

Pursuant to the IT System Agreement, any entity within the Luk Fook Group may enter into a separate service request, confirmatory document, or other definitive agreement (each a “**Definitive Agreement**”) with any entity within the Group, provided that nothing in the Definitive Agreement(s) may contravene the terms and conditions of the IT System Agreement.

Pricing policy: The CGS Group shall pay service fees to the Luk Fook Group for the information technology services based on the pricing of each specific service as agreed by both parties. The fees shall be determined with reference to the prevailing price of similar services in the open market, as well as the development costs, operating costs, nature and scale of the relevant information technology systems or projects, with markups of no more than 15%, subject to mutual negotiation and corresponding adjustments in line with the applicable market practice, to ensure that the price is no less favourable to the CGS Group than the price offered by independent third-party suppliers for similar services and that the price is determined after arm’s length negotiation between the parties on normal commercial terms.

Set out below are the aggregate historical amounts of the service fees paid by the CGS Group for the transactions pursuant to the previous information technology system service agreement for the two years ended 30 June 2023 and nine months ended 31 March 2024:

	For the year ended 30 June 2022	For the year ended 30 June 2023	For the nine months ended 31 March 2024
Amount (HK\$'000) (approx.)	283	174	134

Annual caps:

With reference to the historical transaction amount and the estimated growth of the Group's business, the parties to the IT System Agreement had agreed on the following annual caps for the information technology service (the "**IT System Agreement Annual Caps**"):

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Amount (HK\$'000) (approx.)	5,000	12,000	5,000

The IT System Agreement Annual Caps were determined with reference to the historical transaction amounts; the CGS Group's increasing demand for information technology services and new systems in line with the anticipated growth of the CGS Group's retail and franchising business, which corresponds with the Group's latest proactive network expansion strategy; and a moderate inflation rate projected for the years ending 30 June 2025, 2026 and 2027.

AGGREGATED ANNUAL CAPS

Given that the transactions under each of the Franchise Agreement and the Service Agreement being services provided by Chongqing Bo-yuan to the CGS Group, the Franchise Agreement Annual Caps and the Service Agreement Annual Caps thereunder are aggregated (the “**Aggregated Annual Caps**”) and treated as if they were one transaction pursuant to Chapter 14A of the Listing Rules, as follows:

	For the year ending 30 June 2025	For the year ending 30 June 2026	For the year ending 30 June 2027
Franchise Agreement Annual Caps (<i>HK\$’000</i>)	2,000	2,000	2,000
Service Agreement Annual Caps (<i>HK\$’000</i>)	5,000	6,000	7,000
Total (<i>HK\$’000</i>)	<u>7,000</u>	<u>8,000</u>	<u>9,000</u>

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE AGREEMENTS

The entering into of the Agreements is to renew some of the expired agreements and is based on the commercial needs of the Group, which is in the ordinary and usual course of business of the Group and also in the interest of the Group and the Shareholders as a whole after taking into account the following:

- (a) the Supply Agreement will ensure a consistent sales of raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items by the CGS Group at rates consistent with the market;
- (b) the Purchase Agreement will continue to ensure a consistent supply of raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items to the CGS Group at rates consistent with the market;

- (c) each of the Franchise Agreement and the Service Agreement will allow the CGS Group to increase the operational efficiency of its “**3D-GOLD**” business through the use of the Computer Programs, which will enable the CGS Group further enhance its retail and brand management; and
- (d) the IT System Agreement will allow the Group to streamline information technology processes, standardize service delivery and reduce operational risks, thereby cultivating an efficient and scalable information technology infrastructure that aligns with the Group’s strategic business objectives.

Having taken into account the factors and reasons set out above, the Directors (excluding the independent non-executive Directors who will give their views after taking into account the opinion given by the Independent Financial Adviser) are of the view that:

- (a) based on the historical transaction amounts and the estimated growth of the CGS Group’s business, the Supply Agreement (including the annual caps) is on normal commercial terms, entered into on an arm’s length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned;
- (b) based on the historical transaction amounts and the estimated growth of the CGS Group’s business, the Purchase Agreement (including the annual caps) is on normal commercial terms, entered into on an arm’s length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned;
- (c) based on the historical transaction amounts, the CGS Group’s existing number of head office and retail outlets as at the date of this announcement, and the estimated growth of the CGS Group’s business, the Franchise Agreement (including the annual caps) is on normal commercial terms, entered into on an arm’s length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned;
- (d) based on the historical transaction amounts, the CGS Group’s existing number of head office and retail outlets as at the date of this announcement, and the estimated growth of the CGS Group’s business, the Service Agreement (including the annual caps) is on normal commercial terms, entered into on an arm’s length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned; and

- (e) based on the historical transaction amounts and the estimated growth of the CGS Group's business, the IT System Agreement (including the annual caps) is on normal commercial terms, entered into on an arm's length basis, in the ordinary and usual course of business of the Group, in the interest of the Group and the Shareholders as a whole, and fair and reasonable so far as the Shareholders are concerned.

INFORMATION OF THE PARTIES

The Company is an investment holding company. The Group is principally engaged in the retail sales and franchising operations for gold and jewellery products in Hong Kong, Macau and Mainland China and the wholesaling and contracting operations of gold and jewellery products in Mainland China.

CGS is a subsidiary of the Company and is owned as to 50% by each of the Company and Luk Fook 3DM. The principal activity of CGS is investment holding. Its subsidiaries are principally engaged in the trading and sale of gold, platinum and jewellery products in Hong Kong, Macau and other region in the PRC through retailing, licensing and e-commerce under the brand or trade names of "3D-GOLD" and "金至尊".

3DM is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CGS. 3DM is principally engaged in providing management services.

3D Shenzhen is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. 3D Shenzhen is principally engaged in retailing & franchising operations of gold and jewellery products in Mainland China.

3D Chongqing is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. 3D Chongqing is principally engaged in wholesaling operations of gold and jewellery products in Mainland China.

Zun Fu Chongqing is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. Zun Fu Chongqing is principally engaged in retailing & franchising operations of gold and jewellery products in Mainland China.

Zhen Fu Beijing is a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS. Zhen Fu Beijing is principally engaged in retailing & franchising operations of gold and jewellery products in Mainland China.

The principal activity of Luk Fook Holdings is investment holding. Its subsidiaries (including Luk Fook 3DM) are principally engaged in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery and gem-set jewellery.

Luk Fook Shenzhen is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Luk Fook Shenzhen is principally engaged in business of hotel operation in the PRC.

Chongqing Fu-yao is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Chongqing Fu-yao is principally engaged in property holding in the PRC.

Guangzhou Li Ying is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Guangzhou Li Ying is principally engaged in property holding in the PRC.

Ultra Power is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Ultra Power is principally engaged in property holding in Hong Kong.

Green Rich is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Green Rich is principally engaged in property holding in Hong Kong.

Chongqing Yu-su is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Chongqing Yu-su is principally engaged in property holding in the PRC.

Maxigood is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings. Maxigood is principally engaged in manufacture and wholesale distribution of a variety of gem-set jewellery and gemstones.

Chongqing Jian-yi is a company established in the PRC with limited liability and is owned as to 50% by Mr. WONG Ho Lung Danny. Chongqing Jian-yi is principally engaged in property holding in the PRC.

Chongqing Bo-yuan is a company established in the PRC with limited liability and is indirectly owned as to 92% by the Wong's family trust, of which Mr. WONG Ho Lung Danny together with others, are discretionary beneficiaries. Chongqing Bo-yuan is principally engaged in software consultancy services.

IMPLICATIONS UNDER THE LISTING RULES

As (i) Luk Fook Holdings is a substantial shareholder of the Company; (ii) Maxigood is an indirect wholly-owned subsidiary of Luk Fook Holdings; and (iii) Mr. WONG Ho Lung Danny is an executive director of the Company and CGS and one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 92% of Chongqing Bo-yuan thus each of Maxigood and Chongqing Bo-yuan is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the transactions under each of the Franchise Agreement and the Service Agreement are being services provided by Chongqing Bo-yuan to the CGS Group, the Franchise Agreement Annual Caps and the Service Agreement Annual Caps thereunder are aggregated and treated as if they were one transaction pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest of the Supply Agreement Annual Caps, the Purchase Agreement Annual Caps and the IT Service Agreement Annual Caps exceed 5%, the Supply Agreement, the Purchase Agreement, the IT Service Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest of the Aggregated Annual Caps exceed 0.1% but all are less than 5%, and the highest of the Aggregated Annual Caps are more than HK\$3,000,000, the transactions contemplated under the Franchise Agreement and the Service Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne and Dr. CHOW Kwoon Ho, Simon, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the (a) Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

SGM

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, further details of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder.

Shareholders including Luk Fook Holdings and its associates will abstain from voting on the relevant resolutions at the SGM. Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholder (or its associates) has a material interest in (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder, and is required to abstain from voting on the resolutions to approve the aforesaid matters at the SGM.

MISCELLANEOUS

A circular containing, among other things, (i) further details of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the SGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. As additional time is required by the Company to prepare the information to be included in the circular, the circular is expected to be despatched to the Shareholders on or before 3 June 2024.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“3DM”	3D-Gold Management Services Limited (金至尊管理服務有限公司), a company incorporated in Hong Kong with limited liability and a subsidiary of CGS
“3D Chongqing”	Chongqing 3D-Gold Jewellery Design Co., Ltd.* (重慶金至尊飾品設計有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS
“3D Shenzhen”	3D-Gold (Shenzhen) Co., Ltd.* (至尊金業(深圳)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS
“Agreements”	collectively, the Supply Agreement, the Purchase Agreement, the Franchise Agreement, the Service Agreement and the IT System Agreement
"Aggregated Annual Caps"	has the meaning ascribed to it under the section headed “Aggregated Annual Caps” in this announcement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CGS”	China Gold Silver Group Company Limited (中國金銀集團有限公司), a company incorporated in the British Virgin Islands with limited liability and a subsidiary of the Company, which is owned as to 50% by the Company and 50% by Luk Fook 3DM
“CGS Group”	CGS and its subsidiaries

“Chongqing Bo-yuan”	Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶)有限公司), a company established in the PRC with limited liability and indirectly owned as to 92% by the Wong’s family trust, of which Mr. WONG Ho Lung, Danny together with others, are discretionary beneficiaries
“Chongqing Fu-yao”	Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Chongqing Jian-yi”	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司), a company established in the PRC with limited liability, which is owned as to 50% by Mr. WONG Ho Lung, Danny
“Chongqing Yu-su”	Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Company”	Hong Kong Resources Holdings Company Limited (香港資源控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2882)
“Computer Programs”	the computer programs in object code form in respect of certain computerized systems to be installed at the CGS Group’s retail outlets and/or head offices (including the user manuals in relation to the computer programs)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company

“Franchise Agreement”	the franchise agreement dated 8 May 2024 entered into between Zun Fu Chongqing and Chongqing Bo-yuan in relation to the grant of the licence by Chongqing Bo-yuan to the CGS Group for the use of the Computer Programs
“Franchise Agreement Annual Caps”	has the meaning ascribed to it under the section headed “(2) Continuing Connected Transaction” in this announcement
“Green Rich”	Green Rich Corporation Limited (富翠有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Group”	collectively, the Company and its subsidiaries
“Guangzhou Li Ying”	Guangzhou Li Ying Jewellery Co., Ltd.* (廣州利盈首飾有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Premises”	Units 1506-1512, 1515 and 1516, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong and car parking space no. P322, 3/F, Metropole Square, No.2 On Yiu Street, Shatin, New Territories, Hong Kong
“HK Tenancy Agreements”	the tenancy agreements 3DM entered into with Ultra Power (being an indirect wholly-owned subsidiary of Luk Fook Holdings) and Green Rich (being an indirect wholly-owned subsidiary of Luk Fook Holdings) for the lease of the HK Premises on 8 May 2024

“HKFRS 16”	the “Hong Kong Financial Reporting Standard 16 – Leases” issued by the Hong Kong Institute of Certified Public Accountants, which sets out the principles for the recognition, measurement, presentation and disclosure of leases
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IT System Agreement”	the information technology system service agreement dated 8 May 2024 and entered into between CGS and Luk Fook Holdings in relation to the provision of certain information technology system-related services by various subsidiaries of Luk Fook Holdings to the Group
“IT System Agreement Annual Caps”	has the meaning ascribed to it under the section headed “(2) Continuing Connected Transaction” in this announcement
“Independent Board Committee”	comprising Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne and Dr. CHOW Kwoon Ho, Simon, being all the independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, the IT System Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders, other than Luk Fook Holdings and its associates

“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), acting as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (a) the Tenancy Agreements and the transactions contemplated thereunder; and (b) the Supply Agreement, the Purchase Agreement, IT System Agreement and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luk Fook 3DM”	Luk Fook 3D Management Company Limited (六福3D管理有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Luk Fook Group”	Luk Fook Holdings and its subsidiaries
“Luk Fook Holdings”	Luk Fook Holdings (International) Limited (六福集團(國際)有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0590)
“Luk Fook Shenzhen”	Luk Fook Commerce (Shenzhen) Co. Ltd.* (六福商業(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Macau”	the Macau Special Administrative Region of the PRC
“Maxigood”	Maxigood Enterprises Limited (萬利佳企業有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings

“PRC” or “Mainland China”	the People’s Republic of China
“PRC Landlords”	collectively, Chongqing Jian-yi, Chongqing Bo-yuan, Chongqing Fu-yao, Chongqing Yu-su, Luk Fook Shenzhen and Guangzhou Li Ying
“PRC Premises”	(i) Units 1701-1712, 1802-1806, 1807A, 1808-1809 and Partial Unit 1807B, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC; (ii) Partial area of third floor, No. 60, Liuhe Street, Dongchong Town, Nansha District, Guangzhou, China; (iii) No. 15, 3F, No. 7 Jianguomennei Street, Dongcheng District, Beijing, China; and (iv) one room at Atour Hotel, 26-31/F, Block A, Shuibe Jewelry Headquarters Building, No. 3008 Buxin Road, Dongxiao Street, Luohu District, Shenzhen, Guangdong, China
“PRC Tenancy Agreements”	the tenancy agreements dated 8 May 2024 and entered into between various subsidiaries of Luk Fook Holdings and various subsidiaries of the Company for the lease of the PRC Premises
“Purchase Agreement”	the framework agreement dated 8 May 2024 and entered into between CGS and Maxigood in respect of the purchase of goods by CGS (for itself and as an agent for and on behalf of each of its subsidiaries) from Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings)
“Purchase Agreement Annual Caps”	has the meaning ascribed to it under the section headed “(2) Continuing Connected Transaction” in this announcement
“Service Agreement”	the service agreement dated 8 May 2024 and entered into between Zun Fu Chongqing and Chongqing Bo-yuan in relation to the provision of certain maintenance services for the Computer Programs by Chongqing Bo-yuan to the CGS Group

“Service Agreement Annual Caps”	has the meaning ascribed to it under the section headed “(2) Continuing Connected Transaction” in this announcement
“SGM”	the special general meeting of the Company to be convened, as and when appropriate, for the Independent Shareholders to consider and vote on, the Tenancy Agreements, the Supply Agreement, the Purchase Agreement and IT System Agreement and the transactions contemplated thereunder and the Supply Agreement Annual Caps, the Purchase Agreement Annual Caps and IT System Agreement Annual Caps
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply Agreement”	the framework agreement dated 8 May 2024 and entered into between CGS and Maxigood in respect of the supply of goods by CGS (for itself and as an agent for and on behalf of each of its subsidiaries) to Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings)
“Supply Agreement Annual Caps”	has the meaning ascribed to it under the section headed “(2) Continuing Connected Transaction” in this announcement
“Ultra Power”	Ultra Power Corporation Limited (越能有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“RMB”	Renminbi, the lawful currency of the PRC
“Zhen Fu Beijing”	Zhen Fu Jewellery (Beijing) Co., Ltd.* (臻福珠寶(北京)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS

“Zun Fu Chongqing”

Zun Fu Jewellery (Chongqing) Co., Ltd.* (尊福珠寶(重慶)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS

“%”

per cent

By order of the Board

Hong Kong Resources Holdings Company Limited

WONG Ho Lung, Danny

Chairman and Chief Executive Officer

Hong Kong, 8 May 2024

As at the date of this announcement, the Board comprises Mr. WONG Ho Lung, Danny (Chairman and Chief Executive Officer), Ms. CHEUNG Irene (Chief Operating Officer), Ms. WONG Hau Yeung and Dr. CHAN So Kuen as executive Directors; Ms. YEUNG Po Ling, Pauline as non-executive Director; and Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne and Dr. CHOW Kwoon Ho, Simon as independent non-executive Directors.

* *For identification purposes only*