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If you have sold or transferred all your shares in B.Duck Semk Holdings International Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The logo for Semk, featuring the word "Semk" in a sans-serif font. The letter "e" is red and has a small red dot above it, resembling a duck's beak.

B.Duck Semk Holdings International Limited

小黃鴨德盈控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2250)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE RENEWED
MERCHANDISE SUPPLY FRAMEWORK AGREEMENT; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A notice convening the extraordinary general meeting of the Company to be held at 3:40 p.m. (or immediately after the AGM, whichever is later) on Monday, 27 May 2024 at 7/F, North Tower, Qianhai CTF Finance Tower, No. 66 Shuniu Street, Nanshan District, Shenzhen, China ("EGM"), is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is sent to you with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.semk.net). If you do not intend to attend and vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as practicable but in any event by 3:40 p.m. on Saturday, 25 May 2024 or not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

10 May 2024

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DEFINITIONS

In this circular (other than the notice of the EGM), unless the context otherwise requires, the following expressions shall have the following meanings:

“2022 Share Award Scheme”	the share award scheme adopted by the Company on 5 September 2022, which was amended by an amendment deed dated 8 September 2022
“AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on Monday, 27 May 2024 at 7/F, North Tower, Qianhai CTF Finance Tower, No. 66 Shuniu Street, Nanshan District, Shenzhen, China
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	B.Duck Semk Holdings International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider, and if thought fit, approve, among other things, the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder
“ENS Toys”	ENS Toys (Huizhou) Limited* (盈森玩具(惠州)有限公司), a limited liability company established in the PRC on 19 January 2007 and a company ultimately wholly owned by Mr. Hui
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the Independent Board Committee which comprises all the independent non-executive Directors, namely, Ms. Leung Ping Fun Anita, Mr. Sung Chi Keung and Dr. Chan Kai Yue Jason, <i>MH, JP</i> , established to advise the Independent Shareholders in respect of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Lego”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Renewed Merchandise Supply Framework Agreement
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the relevant resolution at the EGM
“Independent Third Party(ies)”	an individual(s) or a company(ies) who is/are or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or any of its subsidiaries or any of their respective associates and not connected person(s) of the Company
“Latest Practicable Date”	6 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Merchandise Supply Framework Agreement I”	the merchandise supply framework agreement dated 1 January 2024 entered into between the Company and ENS Toys for a term from 1 January 2024 to 31 January 2024
“Merchandise Supply Framework Agreement II”	the merchandise supply framework agreement dated 31 January 2024 entered into between the Company and ENS Toys for a term from 1 February 2024 to 31 May 2024

DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of the Listed Issuers set out in Appendix C3 to the Listing Rules
“Mr. Hui”	Mr. Hui Ha Lam, the chairman of the Board, chief executive officer of the Company, executive Director and one of the controlling shareholders of the Company
“Original Merchandise Supply Framework Agreement”	the merchandise supply framework agreement dated 15 December 2021 entered into between the Company and ENS Toys for a term from 17 January 2022 to 31 December 2023
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 30 December 2021
“Renewed Merchandise Supply Framework Agreement”	the merchandise supply framework agreement dated 12 April 2024 entered into between the Company and ENS Toys for a period from 1 June 2024 to 31 December 2024
“SFO”	the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	the ordinary share(s) of USD0.000025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD”	United States dollars, the lawful currency of the U.S.
“%”	per cent

* *for identification purposes only*



B.Duck Semk Holdings International Limited

小黃鴨德盈控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2250)

Executive Directors:

Mr. Hui Ha Lam

*(Chairman of the Board and
Chief Executive Officer)*

Mr. Kwok Chun Kit

Mr. Cheung Chin Yiu

Mr. Tse Tsz Leong

Registered office:

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Non-executive Director:

Mr. Li Xiang

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

Unit A6

25/F., TML Tower

3 Hoi Shing Road

Tsuen Wan

New Territories

Hong Kong

Independent non-executive Directors:

Ms. Leung Ping Fun Anita

Mr. Sung Chi Keung

Dr. Chan Kai Yue Jason, *MH, JP*

10 May 2024

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE RENEWED
MERCHANDISE SUPPLY FRAMEWORK AGREEMENT; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 12 April 2024, in which the Company announced that on 12 April 2024, the Company entered into the Renewed Merchandise Supply Framework Agreement with ENS Toys for a term commencing on 1 June 2024 and ending on 31 December 2024.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the transactions contemplated under the Renewed Merchandise Supply Framework Agreement (ii) a letter of advice 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; and (iv) a notice of the EGM.

II. RENEWED MERCHANDISE SUPPLY FRAMEWORK AGREEMENT

References are made to (i) the section headed “Connected Transactions” in the Prospectus in relation to the continuing connected transactions between the Company and ENS Toys under the Original Merchandise Supply Framework Agreement; (ii) the announcement of the Company dated 31 January 2024 in relation to the Merchandise Supply Framework Agreement I and the Merchandise Supply Framework Agreement II; and (iii) the announcement of the Company dated 12 April 2024 in relation to the Renewed Merchandise Supply Framework Agreement.

The Company entered into the Merchandise Supply Framework Agreement II with ENS Toys on 31 January 2024 for a term commencing from 1 February 2024 and ending on 31 May 2024. Pursuant to the Merchandise Supply Framework Agreement II, the Company has agreed to, and will procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys, subject to the cap of HK\$8,000,000.

The Company entered into the Merchandise Supply Framework Agreement I with ENS Toys on 1 January 2024 for a term commencing from 1 January 2024 and ending on 31 January 2024. Pursuant to the Merchandise Supply Framework Agreement I, the Company has agreed to, and will procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys subject to the cap of HK\$1,500,000.

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

Date	:	12 April 2024
Parties	:	the Company, as purchaser ENS Toys, as supplier
Term	:	the period from 1 June 2024 to 31 December 2024

LETTER FROM THE BOARD

Subject Matter

Pursuant to the Renewed Merchandise Supply Framework Agreement, the Company has agreed to, and would procure other members of the Group to, purchase merchandise (including but not limited to apparel and toys) from ENS Toys.

There is no minimum purchase amount stipulated in the Renewed Merchandise Supply Framework Agreement, nor is the Group bound to purchase merchandise from ENS Toys. The purchase quantity and the purchase prices shall be specified in individual purchase order (“**Purchase Order**”) to be placed by the Group.

Pricing Basis

The products will be priced on normal commercial terms and in the ordinary course of the Group’s business with reference to the market price of the same or comparable kind of merchandise provided by Independent Third Parties.

Payment Terms

Upon due delivery of merchandise to the Company and/or other members of the Group, ENS Toys shall issue an invoice to the Company and/or other members of the Group for such merchandise; and payment shall be due within 60 days after placement of the specific Purchase Order, unless otherwise agreed between the parties in writing.

Historical Figures

The historical transaction amounts of the transactions under the Original Merchandise Supply Framework Agreement for the three years ended 31 December 2023 were approximately HK\$34,789,000, HK\$19,202,000 and HK\$20,306,000, respectively. The historical transaction amount of the transactions under the Merchandise Supply Framework Agreement I was approximately HK\$1,460,000. The actual transaction amount of the transactions under the Merchandise Supply Framework Agreement II for the period from 1 February 2024 to 31 March 2024 was approximately HK\$1,687,000.

LETTER FROM THE BOARD

Annual Cap

The cap of the transactions contemplated under the Renewed Merchandise Supply Framework Agreement is fixed at HK\$27,861,000 for the year ending 31 December 2024 (the “**Annual Cap**”), inclusive of the cap of transaction amount of HK\$1,500,000 and HK\$8,000,000 under the Merchandise Supply Framework Agreement I and the Merchandise Supply Framework Agreement II, respectively. The Annual Cap is determined based on the average historical transaction amounts of the transactions under the Original Merchandise Supply Framework Agreement for the three years ended 31 December 2023, with an expected annual growth rate of 12.5% applied to it. The growth rate is estimated after considering (i) the expected demand for merchandise under the Renewed Merchandise Supply Framework Agreement for meeting the expected demand from e-commerce customers in the PRC market and the Southeast Asia market for the year ending 31 December 2024; and (ii) the generally positive development of the e-commerce market in the PRC, particularly, the solid year-on-year growth of 13% in sales through business-to-customers online platforms in 2023, the rapid development of online payment and the PRC government’s plans to, among others, promote high-quality development of rural e-commerce markets.

The development of e-commerce market in the PRC has been reflected on The Report on the Development of the PRC’s Online Retail Market in 2023* (《2023年中國網路零售市場發展報告》) issued on 31 January 2024 by the Ministry of Commerce of the PRC. The PRC online retail market has consecutively become the largest online retail market in the world for the past 11 years, with the online retail sales nationwide having exhibited a solid year-on-year growth of approximately 11% in 2023, of which the retail sales through business-to-customer online platforms has exhibited a year-on-year growth of 13%. According to the report, clothing represented the category of products which accounted the most for the total online retails sales in the PRC in 2023 and with the second most significant year-on-year increase in sales.

For the development of e-commerce market in Southeast Asia, the digital economy of Southeast Asia was set to deliver USD100 billion in 2023 in revenue, growing at a compound annual growth rate of 27% since 2021 according to the report named “e-Conomy SEA 2023” jointly issued in November 2023 by Google, Temasek and Bain & Company. Specifically, revenue from the e-commerce markets in Southeast Asia has increased at a compound annual growth rate of approximately 24.7% from 2021 to 2023, and such trend is expected to continue into the medium term. The launch of e-commerce platforms in the Southeast Asia market would therefore enable the Group to capture the potential growth.

LETTER FROM THE BOARD

The Board noted the historical transaction amount for each of the two financial years ended 31 December 2023 as disclosed in the Letter from the Independent Financial Advisor in this circular. The Board considered the relatively low utilization of the annual cap in the financial year ended 31 December 2022 was primarily due to the lower-than-expected sales of merchandise by the Group through e-commerce platforms due to the COVID-19 pandemic which affected the timeliness of logistics in certain areas, the significant drop in foot traffic and the generally weakened consumer sentiment. The decrease in sales of the Group had also resulted in accumulated inventories of merchandise, which were mainly purchased by the Group during the year ended 31 December 2021. The Board considered the relatively low utilisation of the annual cap in the financial year ended 31 December 2021 was primarily due to the lower-than-expected demand of the Group for the merchandise from ENS Toys as a result of the Group's prioritised utilisation of the aforesaid accumulated inventory balance of merchandise from the previous year. However, most of such inventories had been sold as at 31 December 2023.

Reasons and Benefits of Entering into the Renewed Merchandise Supply Framework Agreement

The transactions contemplated under the Renewed Merchandise Supply Framework Agreement enable the Group to continue to obtain the merchandise, which are mainly apparel and toys, for the customers mainly through e-commerce platforms at the prevailing market price which shall not be higher than the price that the Group may obtain from the Independent Third Parties for similar products.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Renewed Merchandise Supply Framework Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better to the Company after arm's length negotiations between the parties, and the terms of those transactions contemplated under the Renewed Merchandise Supply Framework Agreement together with the Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Internal Control Measures

Before entering into any transactions with ENS Toys, the Group will obtain quotes from at least two Independent Third Parties which provide the same or similar products. The finance department will review and compare the quotes from the Independent Third Parties with the quotes from ENS Toys when determining the supplier so as to ensure that the prices of the products provided by ENS Toys to the Group are fair and reasonable and are determined on normal commercial terms or on terms no less favourable to the Group than the terms available from the Independent Third Parties.

Information of ENS Toys

ENS Toys is a limited liability company established in the PRC and its entire equity interests is ultimately wholly-owned by Mr. Hui. ENS Toys provides manufacturing services for the Group and other Independent Third Parties.

Information of the Group

The Group is principally engaged in (i) the character licensing business: the creation, design, licensing, brand management and marketing of its self-created characters across multi-channels. The Group licenses its characters and brands to its licensees, provide them with product design application services and allow them to use the same in their products and services offering; and (ii) the e-commerce and other business: the design, development, procurement and retail sales of its characters-featured products through multi-channels.

Listing Rules Implications

As ENS Toys is ultimately wholly-owned by Mr. Hui, the executive Director, chairman of the Board, chief executive officer and one of the controlling shareholders of the Company, it is considered as an associate of Mr. Hui and a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules for the Annual Cap exceeds 5%, the Annual Caps and the transactions contemplated under the Renewed Merchandise Supply Framework Agreement are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors will annually review the Renewed Merchandise Supply Framework Agreement, the transactions contemplated thereunder and confirm that the continuing connected transactions are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

LETTER FROM THE BOARD

Pursuant to Rule 14A.56 of the Listing Rules, the Company will engage its independent auditor to report on the aforesaid continuing connected transactions on an annual basis and provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions (i) have not been approved by the Board; (ii) are not, in all material respects, in accordance with the pricing policies of the Group; (iii) are not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (iv) have exceeded the Annual Cap under the Renewed Merchandise Supply Framework Agreement.

III. EGM

A notice convening the EGM to be held on Monday, 27 May 2024 at 3:40 p.m. (or immediately after the AGM, whichever is later) at 7/F, North Tower, Qianhai CTF Finance Tower, No. 66 Shuniu Street, Nanshan District, Shenzhen, China is set out on pages EGM-1 to EGM-2 of this circular. Ordinary resolutions will be proposed at the EGM to consider and, if thought fit, to approve the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder.

As of the Latest Practicable Date, Mr. Hui was considered to have material interests in the Renewed Merchandise Supply Framework Agreement as the ultimate shareholder of ENS Toys. Mr. Hui and his associates will be required to abstain from voting for the relevant resolution(s) approving the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder at the EGM. Mr. Hui had thus abstained from voting on the Board resolution(s) in respect of the Renewed Merchandise Supply Framework Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there are no other Directors who have any material interest in the above transactions.

Pursuant to Rule 17.05A of the Listing Rules, the trustee holding unvested shares of a share scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. The trustee under the 2022 Share Award Scheme will be required to abstain from voting for all the resolutions at the EGM.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the proposed resolutions will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for the EGM is enclosed with this circular. If you are not able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event by 3:40 p.m. on Saturday, 25 May 2024 or not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so desire.

To ascertain the Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 22 May 2024 to Monday, 27 May 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the EGM, all transfers of Shares accompanied by the relevant shares certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 May 2024.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder. The Company has appointed Lego as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

IV. RECOMMENDATIONS

Your attention is drawn to (i) the letter of advice from the Independent Board Committee to the Independent Shareholders on the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder; and (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder. The Board (including the members of the Independent Board Committee whose opinion is set forth in the section headed "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" in this circular after considering the advice of the Independent Financial Adviser), is of the view that the terms of the Renewed Merchandise Supply Framework Agreement are fair and reasonable, and on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. The Board recommends the Independent Shareholders to vote in favor of the ordinary resolutions relating thereto at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
B.Duck Semk Holdings International Limited
Hui Ha Lam
Chairman of the Board and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of the Independent Board Committee to the Independent Shareholders in respect of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder for inclusion in this circular.



B.Duck Semk Holdings International Limited

小黃鴨德盈控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2250)

10 May 2024

To the Independent Shareholders,

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWED MERCHANDISE SUPPLY FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 10 May 2024 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall carry the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder are entered into by the Group in its ordinary and usual course of business, on normal commercial terms, in the interests of the Company and the Shareholders as a whole, and are fair and reasonable so far as the Independent Shareholders are concerned. Lego has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board on pages 4 to 12 of the Circular, which sets out details of the transactions contemplated under the Renewed Merchandise Supply Framework Agreement. We also wish to draw your attention to the letter from the Independent Financial Adviser set out on pages 15 to 24 of the Circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

After taking into account the advice of the Independent Financial Adviser, we consider that the terms of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. We further consider that the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of the business of the Group and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the EGM to approve the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder.

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

Leung Ping Fun Anita
*Independent non-executive
Director*

Sung Chi Keung
*Independent non-executive
Director*

Chan Kai Yue Jason
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser setting out the advice to the Independent Board Committee and the Independent Shareholders in relation to Renewed Merchandise Supply Framework Agreement, which has been prepared for the purpose of inclusion in this circular.



10 May 2024

To: The Independent Board Committee and the Independent Shareholders of B.Duck Semk Holdings International Limited

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWED MERCHANDISE SUPPLY FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Renewed Merchandise Supply Framework Agreement, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 10 May 2024 (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

References are made to the announcement of the Company dated 12 April 2024. On 12 April 2024, the Company entered into the Renewed Merchandise Supply Framework Agreement with ENS Toys for a term commencing on 1 June 2024 and ending on 31 December 2024. Pursuant to the Renewed Merchandise Supply Framework Agreement, the Company has agreed to, and will procure other members of the Group to purchase merchandise (including but not limited to apparel and toys) from ENS Toys, subject to a cap of HK\$27,861,000 for the year ending 31 December 2024.

As ENS Toys is ultimately wholly-owned by Mr. Hui, the executive Director, chairman of the Board, chief executive officer and one of the controlling shareholders of the Company, it is considered as an associate of Mr. Hui and a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated under

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules for the Annual Cap exceeds 5%, the Annual Cap and the transactions contemplated under the Renewed Merchandise Supply Framework Agreement are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Renewed Merchandise Supply Framework Agreement.

We, Lego Corporate Finance Limited, have been appointed by the Company as the Independent Financial Adviser in accordance with the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in relation to the Renewed Merchandise Supply Framework Agreement and to make recommendations as to, among others, whether the terms of the Renewed Merchandise Supply Framework Agreement are fair and reasonable, normal commercial terms and in the interests of the Company and the Independent Shareholders as a whole, and as to voting in respect of the relevant resolution(s) at the EGM. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

During the past two years, save for the engagement in connection with the continuing connected transactions of the Company in relation to the proposed entering into of certain contractual arrangements, details of which are set out in the announcement of the Company dated 26 April 2024, and that in connection with the Renewed Merchandise Supply Framework Agreement, we had not been engaged by the Company for the provision of other services. As at the Latest Practicable Date, save for the normal professional fees for our services provided to the Company in relation to the engagement described above, there was no other arrangement whereby we would receive any fees and/or benefits from the Group. We are not aware of any relationships or interests between us and the Group, ENS Toys or any of their respective substantial shareholders, directors, or chief executives, or any of their respective associates. We are independent pursuant to Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Renewed Merchandise Supply Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have reviewed, among others, the Original Merchandise Supply Framework Agreement, the Merchandise Supply Framework Agreement I, the Merchandise Supply Framework Agreement II, the Renewed Merchandise Framework Agreement, the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”), the annual report of the Company for the year ended 31 December 2022 (the “**Annual Report 2022**”), the interim report of the Company for the six months ended 30 June 2023, and certain information provided by the management of the Company (the “**Management**”) relating to the operations, financial condition and prospects of the Group. We have also (i) considered such other information, analyses, market data which we deemed relevant; (ii) conducted verbal discussions with the Management regarding the terms of the Renewed Merchandise Supply Framework Agreement, as well as the businesses and future outlook of the Group.

All Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Company in the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise made to us by the Directors and the management of the Company for which they are solely responsible, were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material respects as at the Latest Practicable Date and Shareholders will be notified by the Company of material changes (if any) of the information contained in the Circular. We consider that we have been provided with, and we have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view regarding the Renewed Merchandise Supply Framework Agreement to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinion. We have no reasons to suspect that any material information has been withheld by the Directors or the Management, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the business, affairs, operations, financial position or future prospects of the Group. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us as at the Latest Practicable Date.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Renewed Merchandise Supply Framework Agreement. Except for its inclusion in the Circular, this letter shall not be quoted or referred to, in whole or in part, nor shall it be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the Renewed Merchandise Supply Framework Agreement, we have considered the following principal factors and reasons.

1. Reasons for and benefits of entering into the Renewed Merchandise Supply Framework Agreement

The Group is principally engaged in, among others, the retail sales of its character's featured products through e-commerce channels, the relevant business segment of which has contributed over 40% of the total annual revenue of the Group for the year ended 31 December 2023.

As advised by the Management, ENS Toys has been providing merchandise which mainly include apparels and accessories to the Group since 2009, from which ENS Toys has gained a deep understanding of the specifications of the Group's products. Leveraging on the long-term business relationship between the Group and ENS Toys, the entering into of the Renewed Merchandise Supply Framework Agreement would allow the Group to continue securing a stable source of supply of merchandise, which is in fact essential for the Group to carry out its ordinary and usual course of business.

Considering the above, we are of the view that the entering into of the Renewed Merchandise Supply Framework Agreement and the transactions contemplated thereunder are in the interests of the Group and the Independent Shareholders as a whole.

2. Principal terms of the Renewed Merchandise Supply Framework Agreement

On 12 April 2024, the Company entered into the Renewed Merchandise Supply Framework Agreement with ENS Toys in relation to the purchase of merchandise (including but not limited to apparel and toys) from ENS Toys for a term commencing on 1 June 2024 and ending on 31 December 2024.

Pursuant to the Renewed Merchandise Supply Framework Agreement, the products will be priced on normal commercial terms with reference to the market price of the same or comparable kind of merchandise provided by the Independent Third Parties.

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In assessing the fairness and reasonableness of the terms of the Renewed Merchandise Supply Framework Agreement, we have obtained and reviewed a total of twelve sets of purchase orders (the “**Sample Purchase Orders**”), which (i) comprised one set of purchase order placed by the Group with ENS Toys each month from January to December during the year ended 31 December 2023; and (ii) included products from all of catalogues of merchandise that could be purchased under the Original Merchandise Supply Framework Agreement. For each of such Sample Purchase Orders, we have then compared the underlying pricing terms to those offered under two corresponding quotations obtained by the Group from other vendors which were Independent Third Parties. Considering that the Sample Purchase Orders selected covered each month throughout the latest twelve-month period of the term of the Original Merchandise Supply Framework Agreement as well as covered all of catalogues of merchandise under the Original Merchandise Supply Framework Agreement, we are of the view that the Sample Purchase Orders are reasonably fair and sufficient for the purpose of our analysis. Based on our assessment, the pricing terms offered by ENS Toys to the Group under the Sample Purchase Orders are no less favourable than those offered by the Independent Third Parties.

Accordingly, we are of the view that the terms of the Renewed Merchandise Supply Framework Agreement are fair and reasonable and on normal commercial terms.

3. The Annual Cap

Table 1 below sets out (i) the historical transaction amounts for the three years ended 31 December 2023; (ii) the previous annual caps for the three years ended 31 December 2023 under the Original Merchandise Supply Framework Agreement (the “**Previous Annual Cap(s)**”); and (iii) the proposed Annual Cap for the year ending 31 December 2024 under the Renewed Merchandise Supply Framework Agreement, which are inclusive for the caps of the transactions contemplated under the Merchandise Supply Framework Agreement I and the Merchandise Supply Framework Agreement II.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Table 1: A summary of the actual transaction amounts, the Previous Annual Caps and the Annual Cap

Actual transaction amounts for the year ended 31 December			Previous Annual Cap for the year ended 31 December			Annual Cap for the year ending 31 December
2021	2022	2023	2021	2022	2023	2024
(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
34,789	19,202	20,306	40,000	45,000	52,000	27,861

According to Table 1, the respective historical transaction amounts under the Original Merchandise Supply Framework Agreement for the three years ended 31 December 2023 were approximately HK\$34.8 million, approximately HK\$19.2 million and approximately HK\$20.3 million, respectively representing utilisation rates of 87.0%, approximately 42.7% and approximately 39.0% of the respectively corresponding Previous Annual Caps.

In assessing the fairness and reasonableness of the determination of the Annual Cap, we have enquired with the Management as to the reasons for the relatively low utilisation of the Previous Annual Caps for each of the two years ended 31 December 2023. As advised by the Management, the relatively low utilisation of the Previous Annual Cap for the year ended 31 December 2022 was primarily due to the lower-than-expected sales of merchandise by the Group through e-commerce platforms due to the COVID-19 pandemic which affected the timeliness of logistics in certain areas, the significant drop in foot traffic and the generally weakened consumer sentiment, which accordingly resulted in the lower-than-expected demand for merchandise of the Group from ENS Toys. In fact, the decrease in sales of the Group had also resulted in accumulated inventories of merchandise, which were mainly purchased by the Group during the year ended 31 December 2021. In respect of the year ended 31 December 2023, the relatively low utilisation rate of the corresponding Previous Annual Cap was primarily due to the lower-than-expected demand of the Group for the merchandise from ENS Toys as a result of the Group's prioritised utilisation of the aforesaid accumulated inventory balance of merchandise from the previous year. As further advised by the Management, most of the over-one-year inventories of merchandise had been sold by the Group as at 31 December 2023.

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In arriving at the Annual Cap, the Management has first considered the annual average historical transaction amount for the three years ended 31 December 2023 under the Original Merchandise Supply Framework Agreement, which amounts to approximately HK\$24.8 million, and then applied to it an estimated growth of approximately 12.5% throughout the year ending 31 December 2024. Based on our discussions with the Management, the aforementioned estimations were made after considering the expected demand for merchandise of the Group under the Renewed Merchandise Supply Framework Agreement for meeting the expected demand from customers via the e-commerce platforms primarily in the existing PRC market, as well as the recently launched Southeast Asia market, during the year ending 31 December 2024.

According to the Annual Report 2022, the Group launched its first online flagship store on Tmall, a well-known business-customer online shopping platforms in the PRC, in 2015. Subsequently, the Group expanded onto other e-commerce platforms in the PRC, such as JD.com and VIP.com, in order to offer its products and allow customers to pay online with products being directly shipped to the customers. As advised by the Management, going forward, the Group shall continue exploring the opportunities to expand the cooperations with the existing e-commerce platforms as well as to commence cooperations with new e-commerce platforms in the PRC.

For the purpose of our analysis, in particular the application of the estimated growth rate of 12.5% throughout the year ending 31 December 2024, we have conducted research on the general development of the e-commerce market in the PRC. Based on the report named 《2023年中國網路零售市場發展報告》 (“**The report on the development of the PRC’s online retail market in 2023**”) issued on 31 January 2024 by the Ministry of Commerce of the PRC (<https://dzswgf.mofcom.gov.cn/>), the PRC online retail market has consecutively become the largest online retail market in the world for the past 11 years, with the online retail sales nationwide having exhibited a solid year-on-year growth of approximately 11% in 2023, of which the retail sales through business-to-customer online platforms has exhibited a year-on-year growth of 13%. According to the report, clothing represented the category of products which accounted the most for the total online retails sales in the PRC in 2023 and with the second most significant year-on-year increase in sales.

Besides, it is noted that the rapid development of online payment and the establishment of certain government targets and policies may help boost the PRC e-commerce market in the future. According to the CINIC Report, online payment in the PRC has further penetrated into various fields, whereby the breadth and depth of application scenarios of livelihood payments continued to increase and the scope of the pilots of digital RMB continued to expand. By December 2022, the pilot scope of digital RMB had been expanded to 26 regions in 17 provinces, and several pilot regions had made progress in stages. It is further suggested that Project mBridge, a new international cross-border digital currency payment infrastructure, has been vigorously promoted by

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multilateral central banks such as the Bank for International Settlements, the Hong Kong Monetary Authority, the Central Bank of Thailand and the People's Bank of China, which would further facilitate the online payment system in the future. In August 2023, offices of nine departments of the PRC government including the Ministry of Finance collectively issued 《關於印發縣域商業三年行動計劃（2023-2025年）的通知》 with the aims of fully leveraging the important role of rural areas in the consumer markets, further enhancing the effectiveness of county-level commercial system construction, and promoting urban-rural integration development. Pursuant to the notice, among others, the PRC government is targeted to construct and renovate the county-level logistics and distribution centres by 2025 as well as to promote high-quality development of rural e-commerce markets, which are expected to have positive impacts on the development of the overall e-commerce markets in the PRC in the future.

On the other hand, with the PRC market remaining as the primary focus of the Group's e-commerce business, according to the Annual Report 2022, in line with the Group's strategy to focus on "internationalisation", the Group has been developing cross-border e-commerce in the Southeast Asia market by fully integrating online-offline business and increasing market channels. In Thailand, the Group has established a joint venture company to operate e-commerce and licensing businesses. As further disclosed in the Annual Report 2023, while it was still at the initial stage, the Group focused on developing e-commerce platforms in various countries within the Southeast Asia market during the year ended 31 December 2023, and would continue to explore the Southeast Asia market in the future.

We have conducted research on the development of e-commerce market in Southeast Asia. With reference to the report named "e-Conomy SEA 2023" jointly issued in November 2023 by Google (<https://www.google.com/>), Temasek (<https://www.temasek.com.sg/>) and Bain & Company (<https://www.bain.com/>), respectively being a multinational technology company with its shares being listed on NASDAQ, a global investment company with a multinational staff of over 900 people and a management consulting firm, the digital economy of Southeast Asia was set to deliver USD100 billion in 2023 in revenue, growing at a compound annual growth rate of 27% since 2021. Specifically, revenue from the e-commerce markets in Southeast Asia has increased at a compound annual growth rate of approximately 24.7% from 2021 to 2023, and such trend is expected to continue into the medium term. It is suggested in the report that the favourable demographics, growing wealth, and an increasingly urbanised population have set the stage for future digital economic growth in Southeast Asia. Given the broadened digital economy participation, physical infrastructure investments and policy and regulations at the regional level, it is suggested that the digital economy of Southeast Asia could reach its full potential in the future. The launch of e-commerce platforms in the Southeast Asia market would therefore enable the Group to capture the potential growth.

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Accordingly, taking into consideration of, among others, (i) the generally positive development of the e-commerce market in the PRC, particularly, the solid year-on-year growth of 13% in sales through business-to-customers online platforms in 2023, the rapid development of online payment and the PRC government's plans to, among others, promote high-quality development of rural e-commerce markets; and (ii) the generally positive development of the e-commerce markets in Southeast Asia, particularly the significant increase in revenue from 2021 to 2023 with such trend being expected to continue into the medium term, we are of the view that the determination of the Annual Cap, which was estimated based on the average historical transaction amount for the three years ended 31 December 2023 under the Original Merchandise Supply Framework Agreement and the estimated annual increase of approximately 12.5% throughout the year ending 31 December 2024, is fair and reasonable.

4. Internal control measures

As disclosed in the Letter from the Board, before entering into any transactions with ENS Toys, the Group will obtain quote from at least two Independent Third Parties which provide the same or similar products. The finance department will review and compare the quotes from the Independent Third Parties with the quotes from ENS Toys when determining the supplier so as to ensure that the prices of the products provided by ENS Toys to the Group are fair and reasonable and are determined on normal commercial terms or on terms no less favourable to the Group than the terms available from the Independent Third Parties.

In addition, according to the requirements of the Listing Rules, the Company's external auditors shall provide a letter to the Board confirming, among others, that the transactions contemplated under the Renewed Merchandise Supply Framework Agreement are conducted in accordance with their terms and that the Annual Cap not being exceeded, and the independent non-executive Directors shall conduct an annual review on the pricing and the annual cap(s) of the continuing connected transactions, details of which must be included in the Company's annual reports. In the event that the Company knows or has reason to believe that the independent non-executive Directors and/or its auditors will not be able to make confirmations in such regards, the Company shall publish an announcement to notify the Shareholders.

In view of the above, we are of the view that there will be appropriate measures in place to govern the conduct of the transactions contemplated under the Renewed Merchandise Supply Framework Agreement.

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RECOMMENDATIONS

Having considered the principal factors and reasons as discussed above, we are of the view that the Renewed Merchandise Supply Framework Agreement will be conducted in the ordinary and usual course of business of the Group, and the terms of the Renewed Merchandise Supply Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Renewed Merchandise Supply Framework Agreement.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Billy Tang
Managing Director

Mr. Billy Tang is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in the accounting and investment banking professions.

* *for identification purpose only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/ Nature of interest	Number of shares held/ interested	Percentage of the issued share capital
Hui Ha Lam	Beneficial owner	7,000,000	0.71%
	Interest of a controlled corporation	663,200,000 <i>(Note 1)</i>	67.61%

Note:

1. Mr. Hui Ha Lam is the sole beneficial owner of Semk Products (Holdings) Limited which in turn wholly owns Semk Global Investment Ltd. By virtue of the SFO, he is deemed to be interested in all the 663,200,000 Shares owned by Semk Global Investment Ltd. Mr. Hui Ha Lam is the sole director of each of Semk Products (Holdings) Limited and Semk Global Investment Ltd.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company nor their associates had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS

(a) Competing interests

As of the Latest Practicable Date, none of the Directors and their respective close associates were interested in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business.

(b) Interests in assets

As of the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which had been acquired, disposed of by or leased to any member of the Group, or was proposed to be acquired, disposed of by or leased to any member of the Group, since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

(c) Interests in contracts or arrangements

Save as disclosed in the Company's connected transactions as disclosed in this circular and its annual report for the year ended 31 December 2023, as of the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date which was significant in relation to the business of the Group.

(d) Service contracts

As of the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by such member of the Group within one year without payment of compensation, other than statutory compensation).

4. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice which are contained in this circular:

Name	Qualification
Lego Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As of the Latest Practicable Date, Lego has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion herein of its letter and the references to its name in the form and context in which it appears.

As of the Latest Practicable Date, Lego did not have any shareholding in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any asset which had been acquired, disposed of by or leased to any member of the Group, or was proposed to be acquired, disposed of by or leased to any member of the Group, since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

6. MISCELLANEOUS

If there is any inconsistency between this circular and its Chinese translation, this circular shall prevail. For ease of reference, the names of Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain subsidiaries) have been included in this circular in the Chinese and English languages, and in the event of any inconsistency, the Chinese version shall prevail.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.semk.net) from the date of this circular and up to and including the date which is 14 days from the date of this circular:

- (a) the Renewed Merchandise Supply Framework Agreement;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in this circular; and
- (c) the letter from the Independent Financial Adviser, the text of which is set out in this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



B.Duck Semk Holdings International Limited

小黃鴨德盈控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2250)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**EGM**”) of B.Duck Semk Holdings International Limited (the “**Company**”) will be held at 7/F, North Tower, Qianhai CTF Finance Tower, No. 66 Shuniu Street, Nanshan District, Shenzhen, China on Monday, 27 May 2024 at 3:40 p.m. (or immediately after the annual general meeting of the Company to be held at 3:00 p.m. on the same day and at the same venue, whichever the later) for the purposes of considering and, if thought fit, passing (with or without amendments) the following resolution.

ORDINARY RESOLUTION

“**THAT**, the merchandise supply framework agreement (the “**Renewed Merchandise Supply Framework Agreement**”) entered into between the Company and ENS Toys (Huizhou) Limited* (盈森玩具(惠州)有限公司) on 12 April 2024 and the annual cap for the continuing connected transactions contemplated thereunder are hereby approved, confirmed and ratified; and any director of the Company is hereby authorised to sign and execute the Renewed Merchandise Supply Framework Agreement and any other documents or supplement agreements or deeds on behalf of the Company, and to do all such things and take all such actions as he/she may consider necessary or desirable for the purpose of giving effect to the Renewed Merchandise Supply Framework Agreement with such changes as he/she may consider necessary, desirable or expedient.”

By order of the Board

B.Duck Semk Holdings International Limited

Hui Ha Lam

Chairman of the Board and Executive Director

Hong Kong, 10 May 2024

Headquarters and principal place of business in Hong Kong:

Unit A6

25/F., TML Tower

3 Hoi Shing Road

Tsuen Wan

New Territories

Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Any member of the Company entitled to attend, speak and vote at the EGM (or any adjourned meeting) is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more Shares may appoint more than one proxy to represent him to attend and vote on his behalf.
- (2) In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of that power or authority, at the office of the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as practicable but in any event by 3:40 p.m. on Saturday, 25 May 2024 or not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting.
- (3) In order to ascertain the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 22 May 2024 to Monday, 27 May 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the EGM, all transfers of Shares accompanied by the relevant shares certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 May 2024.
- (4) Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (5) All resolutions as set out in this notice to be put to vote at the EGM will be decided by way of poll as required by the Listing Rules.
- (6) If "extreme condition" caused by super typhoon or a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at any time after 12:00 noon on Monday, 27 May 2024, the EGM will be postponed and the shareholders of the Company will be informed of the date, time and venue of the postponed EGM by a supplementary notice, posted on the respective websites of the Stock Exchange and the Company.
- (7) References to time and dates in this notice are to Hong Kong time and dates.

As at the date hereof, the Board comprises Mr. Hui Ha Lam as chairman of the Board and executive Director, Mr. Kwok Chun Kit, Mr. Cheung Chin Yiu, and Mr. Tse Tsz Leong as executive Directors, Mr. Li Xiang as non-executive Director and Ms. Leung Ping Fun Anita, Mr. Sung Chi Keung and Dr. Chan Kai Yue Jason, MH, JP as independent non-executive Directors.