
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **Cocoon Holdings Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Cocoon Holdings Limited
中國天弓控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 428)

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY,
RE-ELECTION OF RETIRING DIRECTORS,
CAPITAL REORGANISATION,
CHANGE OF BOARD LOT SIZE
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Cocoon Holdings Limited to be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 27th June 2024, at 11:00 a.m. is set out on pages 32 to 37 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.

This circular and the accompanying proxy form, in both English and Chinese versions, are available on the Company's website at www.cocoon.holdings (the "**Company Website**").

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "**Corporate Communications**") via the Company Website and who for any reason have difficulty in receiving or gaining access to the circular and the proxy form posted on the Company Website will promptly upon request be sent the circular and the proxy form in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to receive the circular and the proxy form in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by sending an email to the branch share registrar of the Company in Hong Kong at cocoon.ecom@computershare.com.hk.

Shareholders who have chosen to receive printed copy of the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this circular and the accompanying proxy form since both languages are bound together into one booklet respectively.

31 May 2024

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DEFINITIONS

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

“Accumulated Losses”	the accumulated losses of the Company as at the effective date of the Capital Reorganisation
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 27th June 2024 at 11:00 a.m., notice of which is set out on pages 32 to 37 of this circular
“Board”	the board of Directors
“Business Day/business day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Bye-laws”	the bye-laws of the Company adopted by the Company on 17 June 2022, as may be amended from time to time
“Capital Reduction”	the proposed reduction in the issued share capital of the Company as detailed in the section headed “Capital Reorganisation” of this circular
“Capital Reorganisation”	the proposed share capital reorganisation, including the Share Consolidation, the Capital Reduction, the Sub-division, the Share Premium Reduction, and the transfer of the credits from the Capital Reduction and the Share Premium Reduction to the contributed surplus account of the Company
“CCASS”	Central Clearing and Settlement System established and operated by the HKSCC
“CCASS Operational Procedure”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, from time to time

DEFINITIONS

“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Existing Shares to 4,000 New Shares
“Companies Act”	the Companies Act 1981 (as amended) of Bermuda (as amended from time to time)
“Company”	Cocoon Holdings Limited, a company incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability, with its Shares listed on the Stock Exchange
“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$1.00 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	issued and unissued existing ordinary share(s) of HK\$0.10 each in the share capital of the Company
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	28 May 2024, being the latest practicable date prior to the printing of this circular
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange

DEFINITIONS

“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Placing”	the placing of a total of 103,601,332 Shares completed on 24 May 2024
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of the passing of the Repurchase Resolution during the period as set out in the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no. 4 of the notice of the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies, with primary listing on the Stock Exchange, of their own securities on the Stock Exchange
“Share(s)”	collectively, the Existing Shares, the Consolidated Shares or the New Shares, as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the Share Premium Account of the Company to nil
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Sub-division”	the sub-division of each authorised but unissued Consolidated Share of par value of HK\$1.00 each into one hundred (100) New Shares of par value of HK\$0.01 each
“Takeovers Code”	The Code on Takeovers and Mergers
“%”	percent

LETTER FROM THE BOARD

Cocoon Holdings Limited **中國天弓控股有限公司**

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)
(Stock Code: 428)

Executive Directors:

Mr. Chau Wai Hing (*Chairman of the Board*)
Mr. Wu Ming Gai

Independent Non-Executive Directors:

Ms. Chan Man Yi
Ms. Leung Yin Ting
Mr. Wong Sze Lok

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal place of business:

Room 14A,
Fortune House,
61 Connaught Road Central,
Central,
Hong Kong

Hong Kong, 31 May 2024

To Shareholders,

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY,
RE-ELECTION OF RETIRING DIRECTORS,
CAPITAL REORGANISATION,
CHANGE OF BOARD LOT SIZE
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 30th June 2023 (the “**2023 AGM**”), a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of an ordinary resolution to be proposed at the Annual General Meeting to give a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares. As at the Latest Practicable Date, there is no present intention for any purchase of Shares under the general mandate to repurchase Shares to be granted at the Annual General Meeting. In accordance with the Listing Rules, the authority

LETTER FROM THE BOARD

conferred on the Directors by the Repurchase Resolution would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (c) of such resolution.

An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in the Appendix I hereto.

2. GENERAL MANDATE TO ISSUE NEW SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions for granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing the resolution, representing 141,588,488 Shares at the Latest Practicable Date, and adding to such general mandate so granted to the Directors any Shares representing the total number of Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the total number of issued Shares as at the date of the Repurchase Resolution. As at the Latest Practicable Date, there is no present intention for any issuance of Shares under the general mandate to issue Shares to be granted at the Annual General Meeting. In accordance with the Listing Rules, the authority conferred on the Directors by ordinary resolution number 5 as set out in the notice of Annual General Meeting would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (d) of such resolution.

3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of five Directors, namely Mr. Chau Wai Hing (Chairman of the Board), Mr. Wu Ming Gai, Ms. Chan Man Yi, Ms. Leung Yin Ting and Mr. Wong Sze Lok.

According to the Bye-Law 98 of the Bye-Laws, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third but not less than one-third, shall retire from office by rotation. As recommended by the nomination committee of the Company and determined by the Board, Mr. Chau Wai Hing and Mr. Wu Ming Gai, being Directors the longest in office and determined by lot, shall retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. All of the above retiring Directors, being eligible, offer themselves for re-election.

In reviewing the structure of the Board, the nomination committee of the Company will consider the structure, size and diversity (including gender, age, cultural and educational background, length of service, skills, knowledge and experience etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. All appointments to the Board are based on meritocracy and the candidates will be assessed based on criteria such as education background and relevant skills and experience for consideration of the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition.

LETTER FROM THE BOARD

The nomination committee of the Company had considered and nominated the above retiring Directors to the Board for it to propose to the Shareholders for re-election at the Annual General Meeting.

Details of the above retiring Directors proposed for re-election at the Annual General Meeting are set out in the Appendix II of this circular.

4. CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation involving:

- (i) the Share Consolidation whereby every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each will be consolidated into one (1) Consolidated Share of par value of HK\$1.0 each;
- (ii) immediately following the Share Consolidation becoming effective, the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by eliminating any fraction of a Consolidated Share in the issued share capital of the Company; and (b) cancelling the paid up capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01;
- (iii) immediately following the Share Consolidation becoming effective, the Sub-division, whereby each authorised but unissued Consolidated Shares be subdivided into one hundred (100) authorised but unissued New Shares of par value HK\$0.01 each so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall be HK\$1,000,000,000 divided into 100,000,000,000 New Shares;
- (iv) immediately following the Capital Reduction and Sub-division becoming effective, the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account as at the Latest Practicable Date in the sum of approximately HK\$71,924,000 will be reduced to nil; and
- (v) immediately following the Share Premium Reduction becoming effective, the credits arising from the Capital Reduction and the Share Premium Reduction of approximately HK\$142,010,302 (being HK\$70,086,302 from the Capital Reduction and approximately HK\$71,924,000 from the Share Premium Reduction) will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the Accumulated Losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the total authorised share capital of the Company was HK\$1,000,000,000, which is divided into 10,000,000,000 Shares, of which 707,942,440 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

On the assumption that there is no change in the issued share capital prior to the Capital Reorganisation becoming effective, the Company will have 70,794,244 New Shares in issue and a credit of approximately HK\$142,010,302 arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company.

Status of the New Shares

The issued New Shares will rank *pari passu* in all respects with each other in the same class in accordance with the Bye-laws. The Capital Reorganisation will not result in any change in the relative rights or proportionate interests of the holders of shares of the same class.

Other than the expenses incurred in relation to the Capital Reorganisation, its implementation will not in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders.

Fractional entitlement to the Consolidated Shares

Any fractional Consolidated Share to which an individual Shareholder is entitled to will not be issued by the Company to such Shareholder, but will be aggregated, sold and retained for the benefit of the Company.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on the following conditions being fulfilled:

- (i) the passing of a special resolution by the Shareholders at the AGM to approve the Capital Reorganisation;
- (ii) the Listing Committee granting the approval for listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective;

LETTER FROM THE BOARD

- (iii) the compliance with the relevant procedures and requirements under the Companies Act and applicable laws of Bermuda to effect the Capital Reorganisation, which includes the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due;
- (iv) the compliance with the relevant procedures and requirements under the Bye-Laws, the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

As at the Latest Practicable Date, none of the above conditions have been fulfilled. Subject to the fulfilment of the conditions of the Capital Reorganisation and in order to provide more certainty to the expected timetable for the Capital Reorganisation, the effective date of the Capital Reorganisation is expected to be on Tuesday, 2 July 2024, due to the fact that the Company would be required to seek certain consents and approvals from third parties if the Capital Reorganisation were to take place prior to such date.

Application for listing of the New Shares

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

LETTER FROM THE BOARD

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has no outstanding options, warrants or other securities convertible into Existing Shares and/or Consolidated Shares and/or New Shares.

Exchange of new share certificates for New Shares

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Tuesday, 2 July 2024, Shareholders may during the period from Tuesday, 2 July 2024 to Wednesday, 7 August 2024 (both days inclusive), submit their existing share certificates in orange colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong to exchange for share certificates in pink colour for the New Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Hong Kong branch share registrar for each share certificate issued for the New Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of share certificates issued or cancelled is higher.

After 4:10 p.m. on Monday, 5 August 2024, existing share certificates in orange colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title and may be exchanged for share certificates in pink colour for the New Shares at any time.

Proposed Change in Board Lot Size

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 2,000 Existing Shares. As set out in the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by Hong Kong Exchanges and Clearing Limited, the expected value of each board lot shall be no less than HK\$2,000. Accordingly, it is proposed that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange be changed from 2,000 Existing Shares to 4,000 New Shares.

Based on the closing price of HK\$0.096 per Existing Shares as quoted on the Stock Exchange as at the Latest Practicable Date, (i) the value of each board lot of 2,000 Existing Shares would be HK\$192; and (ii) the value of each board lot of 4,000 New Shares, assuming Capital Reorganisation had already been effective would be HK\$3,840.

LETTER FROM THE BOARD

Arrangement on odd lots trading

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company has appointed Tiger Securities Asset Management Company Limited (“**Tiger Securities**”), the investment manager of the Company who provided investment management services since 1 March 2016, to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares during the period from 9:00 a.m. on Tuesday, 16 July 2024 to 4:00 p.m. on Monday, 5 August 2024. Shareholders who wish to take advantage of this service should contact Mr. Choy Pak Lun of Tiger Securities at B3 29/F TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong or at telephone number (852) 3759 6500 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period. Shareholders are recommended to make an appointment in advance by dialing the telephone number of Tiger Securities as indicated above to trading of odd lots (if any) of the New Shares.

The Company shall pay HK\$20,000 to Tiger Securities to provide matching services in relation to the odd lots trading arrangement.

The fee payable in respect of the matching services was negotiated on an arm’s length basis between the Company and Tiger Securities and determined with reference to, amongst other things, the market rate for the matching services. The Directors consider that the fee payable in respect of the matching services is fair and reasonable based on the current market condition.

Since the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the fee payable in respect of the matching service in relation to the odd lots trading arrangement, is expected to be less than 5% and the total consideration is less than HK\$3,000,000, the amount constitutes a *de minimis* connected transaction under Rule 14A.76(1) of the Listing Rules and is fully exempt from the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Shareholders should note that matching of the sale and purchase of odd lots of the New Shares is on a best efforts basis. Successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. If they are in any doubt about the odd lot arrangement, they are recommended to consult their own professional advisers.

LETTER FROM THE BOARD

Reasons for the Capital Reorganisation and the Change in Board Lot Size

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 10 May 2024 has further stated that (i) market price of the securities at a level less than HK\$0.1 will be considered as approaching the extremities of HK\$0.01 as referred to Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

Based on the closing price of the Existing Shares of HK\$0.096 as at the Latest Practicable Date and the board lot size of 2,000 Existing Shares, the board lot value of the Existing Shares is HK\$192. The Board considers that after the Capital Reorganisation and the Change in Board Lot Size became effective, the estimated board lot size value will be HK\$3,840. This will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

Based on the Company’s annual report dated 28 March 2024 for the year ended 31 December 2023, the Company recorded accumulated losses of approximately HK\$57.8 million as at 31 December 2023. The Board intends to transfer the credits arising from the Capital Reduction and the Share Premium Reduction in the total amount of approximately HK\$142,010,302 to the contributed surplus account of the Company within the meaning of the Companies Act upon the Capital Reduction and the Share Premium Reduction becoming effective, which amount will then be applied in full to set off the Accumulated Losses. The Board takes the view that the offset of the Accumulated Losses will provide the Company with greater flexibility to undertake any corporate exercise which requires the use of the contributed surplus account in the future, subject to the Company’s then performance and financial position.

Although the Capital Reorganisation and the Change in Board Lot Size may lead to the creation of odd lots of Shares owned by the Shareholders, the Company has designated Tiger Securities to stand in the market to provide matching services for odd lots of Shares for a period of more than three weeks, which is expected to effectively alleviate the difficulties caused by the creation of odd lots of Shares.

Based on the reasons above, the Board considers that the Capital Reorganisation and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has no intention to carry out other corporate reorganisation plan in the next 12 months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation, and the Company currently does not have any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support, among others, working capital requirements and future investment strategy of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

5. LISTING RULES IMPLICATIONS

Tiger Securities, being the investment manager of the Company, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. As such, the matching services for odd lots of Shares to be provided by Tiger Securities constitute a connected transaction for the Company.

Since the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the fee payable in respect of the matching services for odd lots trading arrangement is expected to be less than 5% and the total consideration is less than HK\$3,000,000, the provision of such services constitutes a *de minimis* connected transaction under Rule 14A.76(1) of the Listing Rules and is fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) considered the terms of the matching services provided by Tiger Securities under the odd lots arrangement agreement, which constitutes a connected transaction for the Company, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

6. ANNUAL GENERAL MEETING

The notice of Annual General Meeting, which contains, *inter alia*, ordinary resolutions to approve, among other things, the Repurchase Resolution, general mandate for Directors to issue new Shares, extension of general mandate to issue new shares and re-election of retiring Directors, as well as a special resolution to approve the proposed Capital Reorganisation, is set out on pages 32 to 37 of this circular. Whether or not you propose to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof.

LETTER FROM THE BOARD

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the annual general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. According to the Bye-laws, all resolutions put to votes of the Annual General Meeting shall be decided by poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors and the directors of the investment manager 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 and the directors of the investment manager, 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.

9. RECOMMENDATION

The Directors believe that the proposals referred to in this circular are in the best interest of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting. As at the Latest Practicable Date, no Shareholder is required to abstain from voting under the Listing Rules in respect of the resolutions as stated in the notice of the Annual General Meeting.

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix IV and the notice of the Annual General Meeting.

Yours faithfully,
By order of the Board
Cocoon Holdings Limited
Chau Wai Hing
Chairman

This is the explanatory statement as required to be sent to the Shareholders under the Share Repurchase Rules to provide requisite information to you for your consideration of the Repurchase Proposal.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 707,942,440 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Proposal to repurchase a maximum of 70,794,244 Shares. The Company will cancel the repurchased Shares following settlement of any such repurchase as the Bye-laws do not explicitly permit the Company to hold repurchased Shares as treasury Shares (which has the meaning ascribed to it under the Listing Rules which will come into effect on 11 June 2024 and as amended from time to time).

REASON FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of continuance and Bye-laws and the applicable laws of Bermuda and the Listing Rules. The repurchase of Shares under the Repurchase Proposal will be financed from the Company's internal resources.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31st December, 2023, in the event that the power to repurchase Shares pursuant to the Repurchase Proposal were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICE

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	0.360	0.275
May	0.420	0.275
June	0.340	0.222
July	0.600	0.255
August	0.335	0.179
September	0.230	0.151
October	0.192	0.165
November	0.218	0.151
December	0.270	0.174
2024		
January	0.228	0.122
February	0.178	0.094
March	0.175	0.096
April	0.123	0.064
May (up to the Latest Practicable Date)	0.108	0.080

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules, the memorandum of continuance of the Company, the Bye-laws and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

The Company has confirmed that neither the explanatory statement nor the proposed Share repurchase has any unusual features.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Ms. Yu Po Kwan, held directly 67,594,000 Shares, representing approximately 9.55% of the total issued share capital of the Company. In the event the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Resolution, then (if the present shareholdings remain the same), the shareholdings of Ms. Yu Po Kwan will be increased to approximately 10.61% of the issued share capital of the Company and no obligation to make a mandatory offer to Shareholders under the Takeovers Code would arise.

The Directors have no intention to repurchase any Shares to the extent that it will trigger the obligations under the Takeovers Code to make a mandatory offer. In addition, the Company will not repurchase Shares to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out as follow:

Executive Directors**Mr. Wu Ming Gai (“Mr. Wu”)**

Mr. Wu, aged 48, joined the Company in July 2015. He was re-designated from a non-executive Director to an executive Director effective from 1 March 2016 and appointed as the chairman (the “**Chairman**”) of the Board in February 2019 and ceased to be the Chairman with effect from 1 December 2022. He is also a director of each subsidiary of our Company. Mr. Wu is one of the directors and responsible officers of Tiger Securities Asset Management Company Limited (“**Tiger Securities**”) (as the investment manager of the Company since 1 March 2016). Mr. Wu is currently licensed under the Securities and Futures Commission (“**SFC**”) to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (assets management) regulated activities accredited to Tiger Securities. He has obtained the Honor Diploma of Accounting from the Hong Kong Shue Yan University in July 1999. He has over 13 years of management experience in fund accounting and asset management. He was the chief operating officer of Tiger Securities from 2007 to 2012 responsible for the overall operation of fund management. Since 2013, he has been the director of the same company responsible for the general management of regulated activities.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wu had not held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years and did not hold any other positions within the Group.

As at the Latest Practicable Date, Mr. Wu did not have any interests in the Shares within the meaning of Part XV of the SFO and did not have any relationships with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

Mr. Wu entered into a letter of appointment with the Company in relation to his appointment as an executive Director. His appointment has no fixed term and is subject to retirement by rotation and re-election in accordance with the Bye-laws and the Listing Rules. Mr. Wu is entitled to a director’s fee of HK\$12,600 per month subject to adjustment as appropriate to be determined by the Board. His director’s emolument has been recommended by the remuneration committee of the Company and determined by the Board with reference to his qualification and experience, duties and responsibilities in the Company, the prevailing market situation and the Company’s performance and current arrangement.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Wu that needs to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Chau Wai Hing (“Mr. Chau”)

Mr. Chau, aged 58, was appointed as executive Director and a member of investment committee of the Board on 23 April 2021 and re-designated as chairman of the investment committee of the Board with effect from 20 June 2022. Mr. Chau has taken up the position as the Chairman with effect from 1 December 2022. Mr. Chau possesses over 30 years of experience in banking, finance and wealth management and held executive positions at several international financial institutions and listed companies. Mr. Chau graduated from City University of Hong Kong with a Bachelor’s Degree in Quantitative Analysis for Business, Postgraduate Certificate in Professional Accounting and Master Degree in Finance. He also holds a Master Degree in Professional Accounting from the Southern Cross University in Australia. Mr. Chau is a fellow member of the Institute of Public Accountants in Australia, a fellow member of the Institute of Financial Accountants, a chartered member of the Chartered Institute for Securities and Investment and a fellow member of the Hong Kong Securities and Investment Institute. Mr. Chau previously joined the Company as a non-executive Director and an executive Director for the period from July 2015 to September 2015 and September 2015 to February 2019 respectively.

Mr. Chau was a licensed person to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO from July 2020 to April 2021. Mr. Chau is currently an independent non-executive director of abc Multiactive Limited (stock code: 8131) since October 2023 and an executive director of UBA Investments Limited (stock code: 768) since September 2021. He was an independent non-executive director of Carnival Group International Holdings Limited (stock code: 996) from May 2019 to December 2023, a company incorporated in the Bermuda with limited liability and the listing of the shares were cancelled on 7 December 2023 and was ordered to be wound up by the High Court of Hong Kong on 23 August 2022, Vestate Group Holdings Limited (Stock code: 1386), the listing of the shares were cancelled on 20 February 2023 from February 2017 to March 2021 and he was also an executive director of UBA Investments Limited (Stock code: 768) from December 2008 to April 2015.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chau had not held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years and did not hold any other positions within the Group.

As at the Latest Practicable Date, Mr. Chau did not have any interests in the Shares within the meaning of Part XV of the SFO and did not have any relationships with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

Mr. Chau entered into a service agreement with the Company. He is appointed for a term of 3 years and is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Chau is entitled to a director's fee of HK\$22,000 per month subject to adjustment as appropriate to be determined by the Board. His annual director's emolument has been recommended by the remuneration committee of the Company and determined by the Board with reference to his qualification and experience, duties and responsibilities in the Company, the prevailing market situation and the Company's performance and current arrangement.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Chau that needs to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Set out below is the expected timetable for the Capital Reorganisation. The expected timetable is subject to, among others, the results of the AGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

2024

Expected despatch date of circular with notice of AGM on or before Friday, 31 May

Latest time for lodging transfers of shares in order to
qualify for attendance and voting at the AGM 4:30 p.m. on Friday, 21 June

Register of members closes Monday, 24 June to
Thursday, 27 June
(both days inclusive)

Latest time for lodging forms of proxy for the AGM 11:00 a.m. on Tuesday,
25 June

Date and time of the AGM 11:00 a.m. on Thursday, 27 June

Publication of the announcement of the results of the AGM Thursday, 27 June

The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reorganisation:

Expected effective date of the Capital Reorganisation Tuesday, 2 July

First day of free exchange of existing share certificates
for new share certificates for New Shares Tuesday, 2 July

Dealing in the New Shares commences 9:00 a.m. on Tuesday, 2 July

Original counter for trading in the Existing Shares
in board lots of 2,000 Existing Shares
(in the form of existing share certificates)
temporarily closes 9:00 a.m. on Tuesday, 2 July

Temporary counter for trading in the New Shares
in board lots of 200 New Shares
(in the form of existing share certificates) opens 9:00 a.m. on Tuesday, 2 July

Original counter for trading in the New Shares in board lots of 4,000 New Shares (in the form of new share certificates for the New Shares) re-opens	9:00 a.m. on Tuesday, 16 July
Parallel trading in the New Shares (in the form of new share certificates for the New Shares and existing share certificates) commences	9:00 a.m. on Tuesday, 16 July
Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares	9:00 a.m. on Tuesday, 16 July
Designated broker ceases to stand in the market to provide matching services for odd lots of the New Shares	4:00 p.m. on Monday, 5 August
Temporary counter for trading in the New Shares in board lots of 200 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 5 August
Parallel trading in the New Shares (in the form of new share certificates for the New Shares and existing share certificates) ends	4:10 p.m. on Monday, 5 August
Latest day and time for free exchange of existing share certificates for new share certificates for the New Shares	Wednesday, 7 August

This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of the Listing Rules in connection with the circular of the Company. This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company.

INVESTMENT PORTFOLIO AND PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS

Set out below are the details of all listed investments and all other investments with a value of more than 5% of the Company's gross assets, and details of at least the ten largest investments as at 31 December 2023. Save for the investments disclosed herein, there are no other listed investments or other investments with a value of more than 5% of the Company's gross assets as at 31 December 2023.

Name of investee company	Proportion of investee's capital owned	Market value as at 31 December		Net assets/ (liabilities) attributable to the investment	Dividend income	Dividend cover	Principal activities	Provision made during the year	Reason for the provision
		Cost	2023	as at 31 December 2023	during the year				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000			HK\$'000	
Listed equity securities									
Hong Kong									
Tencent Holdings Limited	0.00%*	5,405	5,021	2	607	1.14	Provision of value-added services, financial technology and business services and online advertising services	385	Note 1
Alibaba Group Holding Limited	0.00%*	1,263	1,278	858	-	-	Engaged in online retail platform, cloud computing, digital media and entertainment	-	Note 2
BYD Company Limited	0.00%*	3,111	3,216	2,113	35	5.33	Engaged in the manufacture and sales of transportation equipment, as well as engaged in the manufacture and sales of electronic parts and components and electronic devices for daily use	-	Note 2
CMOC Group Limited	0.00%*	2,478	2,191	9,584	43	-	Engaged in the mining, smelting, processing and trading of molybdenum, tungsten, copper and other metals	287	Note 1
United States									
Readen Holding Corporation	8.33%	12,046	6,692	4,474	-	-	A venture capital corporation which is active in the Fintech, Online Payment and E-commerce industries	-	Note 2
Winchester Holding Group	1.05%	20,966	69,888	2	-	-	Engaged in the manufacturing of cars in South Africa for production	-	Note 2
Sante Technology Holdings Inc.	23.44%	29,598	43,680	143	-	-	A company which intend to acquire and merger potential AI technology related companies by offering a unique platform with technology function, marketing function, finance function and resources integration function.	-	Note 2
Luduson G Inc.	2.04%	32,000	17,040	942	-	-	Engaged in the business of building and fostering relationships between leading influencers and brands	14,960	Note 1

Name of investee company	Proportion of investee's capital owned	Market value as at 31 December		Net assets/ (liabilities) attributable to the investment	Dividend income during the year	Dividend cover	Principal activities	Provision made during the year	Reason for the provision
		Cost	2023	as at 31 December 2023	HK\$'000				
Unlisted equity security									
LNPR Group Inc.	7.02%	24,445	20,105	305	-	-	Engaged in development of a "Pure Play" renewable/ alternative/distributed energy technology solutions and wastes to resources and energy platforms	4,340	Note 3
Perfect Path Limited	20.00%	18,500	22,241	25,194	-	-	A private entity incorporated in Anguilla, which principally engaged in gold mining business.	2,662	Note 4

* *Less than 0.01%*

Note:

- The investment is stated at fair value with reference to quoted market price after making provision for diminution in value.
- No provision for diminution in value as fair value with reference to quoted market price is higher than carrying value as of 31 December 2023.
- During the year ended 31 December 2023, the fair value of LNPR Group Inc. decreased by approximately 17.8% to approximately HK\$20.1 million. During the year ended 31 December 2023, the impairment provision of approximately HK\$4.3 million was made for the reason of write-down of the fair value. During the period from 31 December 2023 to the Latest Practicable Date, there is no further updates.
- During the year ended 31 December 2023, the fair value of Perfect Path Limited decreased by approximately 10.7% to approximately HK\$22.2 million. During the year ended 31 December 2023, the impairment provision of approximately HK\$2.7 million was made for the reason of write-down of the fair value. During the period from 31 December 2023 to the Latest Practicable Date, there is no further updates.
- For listed equity securities, net assets attributable to the investments are based on latest published financial information of the relevant investment. For unlisted investments, net assets attributable to investment are based on latest financial statements or management accounts of the relevant investment.
- Dividend coverage is calculated with the numerator being (i) the profit for the year available from the latest annual report available as of 31 December 2023 of the relevant investment; less (ii) (where applicable) dividends paid on preferred shares during the fiscal year, and the denominator being the dividend declared and/or paid during the fiscal year.

Save as disclosed above, there is no other outstanding matter as at the Latest Practicable Date.

PARTICULARS OF DIRECTORS**1. Name and address of Directors**

Name	Address
<i>Executive Directors</i>	
Chau Wai Hing	Flat B, 4/F., Cheung Pak Mansion, Park Vale, 2 Greig Road, Quarry Road, Hong Kong
Wu Ming Gai	Flat D, 9/F., Tivoli Court, 8 Duke Street, Kowloon Tong, Kowloon, Hong Kong
<i>Independent Non-executive Directors</i>	
Chan Man Yi	Flat C, 9/F., La Place De Victoria, 632 King's Road, Hong Kong
Leung Yin Ting	Flat 213, 2/F., Block M, Kornhill, Quarry Bay, Hong Kong
Wong Sze Lok	Flat C, 10/F., Tower 10, Yee Lai Court (South Horizons), 10 South Horizon Drive, Hong Kong

2. Profiles of Directors***Executive Directors***

For details of the Executive Directors of the Company, Mr. Chau and Mr. Wu, please refer to Appendix II to this circular.

Independent Non-executive Directors

Ms. Chan Man Yi, aged 59, was appointed as an independent non-executive Director on 21 August 2018. She is currently the chairman and a member of each of the audit committee and the nomination committee of the Company and a member of the remuneration committee of the Company. Ms. Chan was graduated from the Hong Kong Polytechnic University with a Master's degree in professional accounting and has over 25 years of experience in pension and provident fund industry. Ms. Chan is a member of Hong Kong Institute of Certified Public Accountants ("HKICPA"). Ms. Chan was the company secretary of Glory Mark Hi-Tech (Holdings) Limited (stock code: 8159) from 4 December 2012 to 10 January 2019 and she is currently an independent non-executive director of Orient Securities International Holdings Limited (stock code: 8001), both companies are listed on the GEM of the Stock Exchange.

Ms. Leung Yin Ting, aged 42, was appointed as an independent non-executive Director, member of each of the audit committee and remuneration committee of the Company on 14 December 2018. She was appointed as a member of the nomination committee of the Company on 17 June 2022. Ms. Leung is a barrister in Hong Kong and was called to the Bar of Hong Kong in 2013. She is currently a member of HKICPA and has achieved the specialist qualification in insolvency of HKICPA in 2016. Ms. Leung obtained a Bachelor degree of Laws from University of Warwick, the United Kingdom in 2004, and Postgraduate Certificate in Laws from the University of Hong Kong in 2006. Before pursuing her career in Law, she has more than four years' audit experience in the Big Four accounting firms in Hong Kong.

Mr. Wong Sze Lok, aged 51, was appointed as an independent non-executive Director, a chairman of the remuneration committee of the Board and a member of the nomination committee of the Board on 23 April 2021. Mr. Wong was appointed as a member of audit committee of the Board on 17 June 2022. He has extensive experience in auditing and corporate governance. Mr. Wong was the chief financial officer of Century Entertainment International Holdings Limited (formerly known as Amax International Holdings Limited) (Stock code: 959), the financial controller of Guoan International Limited (Stock code: 143) and an independent non-executive director of Grand Field Group Holdings Limited (Stock code: 115). Mr. Wong is currently an independent non-executive director of TBK & Sons Holdings Limited (Stock code: 1960), China e-wallet Payment Group Limited (Stock code: 802) and Aowei Holding Limited (Stock code: 1370). Mr. Wong also serves as the company secretary of Unitas Holdings Limited (Stock code: 8020) and Wai Hung Group Holdings Limited (Stock code: 3321). Mr. Wong obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in November 1996, a master of management degree from Macquarie University in November 2004 and a certificate of higher education in Law from University of Essex in December 2021. Mr. Wong is currently a fellow of the HKICPA, a fellow of The Institute of Chartered Accountants in England and Wales and a Certified Information Systems Auditor.

INVESTMENT MANAGER INFORMATION

Investment Manager	Tiger Securities Asset Management Company Limited B3 29/F TML Tower 3 Hoi Shing Road Tsuen Wan, New Territories, Hong Kong
Directors of the Investment Manager	Mr. Wu Ming Gai Mr. Choy Pak Lun

THE INVESTMENT MANAGER

Tiger Securities Asset Management Company Limited (“**Tiger Securities**” or the “**Investment Manager**”) has provided investment management services to the Company since 1 March 2016. The Board is of the view that the investment experience of Tiger Securities and its responsible officers is relevant to the investment strategies of the Company and that its investment experience and expertise will be beneficial to the Company and its Shareholders as a whole.

Tiger Securities, a company incorporated in Hong Kong in 2006 with limited liability and is a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Tiger Securities is principally engaged in the business of provision of investment management services covering traditional and alternative investments via various platforms and securities trading and brokerage services.

Set out below the profiles of the directors of Tiger Securities:

Board of directors

Mr. Wu is one of the directors and responsible officers of Tiger Securities. Mr. Wu is also an executive Director of the Company. For further details of Mr. Wu, please refer to Appendix II to this circular.

Mr. Choy Pak Lun (“**Mr. Choy**”), aged 38, is one of the directors and responsible officers of Tiger Securities. Mr. Choy is currently licensed under the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (assets management) regulated activities accredited to Tiger Securities. He holds the Bachelor of Arts with Honors Accounting and Financial Management Studies from University of Gloucestershire. He has over 14 years of comprehensive experience in the financial industry. He worked for Kwong Fat Hong Securities Limited and Well & Well JP Capital Group Limited as accounting staff from September 2009 to April 2011 and April 2011 to February 2013 respectively. He joined Tiger Securities Asset Management Company Limited as senior account executive on February 2013, from April 2016, he re-designated as responsible officer of Tiger Securities.

THE CUSTODIAN

Since all the available-for-sale assets held by the Company are listed and unlisted equity securities, the Company did not appoint any custodian to provide custodian services.

The Directors confirm that none of the Directors, Tiger Securities, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.

RISKS RELATING TO THE COMPANY

The Group's activities expose it to a variety of financial risks: foreign exchange risk, price risk, credit risk, interest rate risk and liquidity risk. Investors should also be aware that the Company is subject to the risk of decrease in the price and value of its investments measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income. As a result, the income of the Company and its net asset value may therefore go down as well as go up, subject to the prevailing market conditions.

INVESTMENT OBJECTIVES

The investment objectives of the Group is to achieve an enhanced earnings stream and capital appreciation from its investments. It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities domestically and internationally to achieve financial growth for the Group and to maximise the Shareholders' value.

The Company's investment objectives above may be altered without Shareholders' approval.

INVESTMENT POLICIES

The Company has adopted a diversified investment approach. A substantial portion of the assets is invested in equity securities, convertible bonds and debt securities issued by listed and unlisted companies in Hong Kong as well as the PRC and overseas or such other types of investment that provide reasonable returns. The Company has also adopted, among others, the following investment policies:

- the Company may, at its sole discretion, invest in any securities, listed or unlisted, including warrants, money market instruments, bank deposits, currency investments, commodities, options, convertible securities, futures contracts and precious metals or any other forms of investments in securities which would enable the Company to achieve good income or capital appreciation.
- the Company may, for hedging purposes only, buy, write or sell warrants, covered warrants, options or traded options on its underlying investments. The Company may also buy or sell futures contracts on stock indices or shares (if any) as a means to hedge against adverse price movements of its investments.
- in order to hedge against interest rate risks, the Company may enter into forward interest rate agreements, interest rates and US treasury bond futures contracts and interest rate swaps. The Company may also, for hedging purpose only, purchase and write (sell) put or call options or options on futures on interest rates. The Company will only engage in transactions in options and futures which are traded on a recognised securities or futures exchange.

- cash pending investment, reinvestment or distribution will be placed in bank deposits in any currency, obligations of the United States or Hong Kong governments, their respective agencies or instrumentalities, or securities and other instruments denominated in any currency issued by various governments or international development agencies.

The Company's investment policies above may be altered without Shareholders' approval.

INVESTMENT RESTRICTIONS

Under the Bye-laws and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. Among others, that the Company may/should not:

- either on its own or in conjunction with any connected person, take legal, or effective, management control of any company or other entity in which it invests or controls more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity; and
- invest in any company or other entity if as a result, more than 20% of the Company's net asset value as at the date of such investment would be invested in any one such company or other entity.

Pursuant to Rules 21.04(3)(a) and (b) of the Listing Rules, the Company has to comply with the investment restrictions above at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules. The abovementioned investment restrictions will not be altered unless approved by the Shareholders.

The Board has no present intention to change any of the above-mentioned investment restrictions.

Save for the unlisted securities, as at the Latest Practicable Date, the Company has no present intention to invest in options, warrants, commodities, futures contracts or precious metals.

BORROWING POWER

The Board may exercise all the powers of the Company to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party, save and except that the aggregate amount of all moneys borrowed by the Company (including the amount of any loan capital and debentures)

which remains outstanding from time to time may not exceed an amount representing 50% of the net asset value at the time when a borrowing is made. The above borrowing restriction may be altered by an ordinary resolution of the Company.

DISTRIBUTION POLICY

The Company's investment objective is to achieve capital appreciation and, accordingly, the Company's investment portfolio is not expected to generate significant income. It is therefore not expected that the Company will have significant (if any) dividend income after expenses available for distribution by way of dividend and therefore the Company does not expect to declare dividend. Any declaration of distributions will be made at the discretion of the Directors and may be either from profit, reserves of the Company (including Share premium account) or any amount lawfully available for distribution.

WORKING CAPITAL MANAGEMENT POLICY

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to the Shareholders through the optimisation of the debt and equity balance. The working capital management policies aim to manage the cost of capital and the risks associated with each class of capital and to balance the Group's overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts.

Furthermore, the Group manages liquidity risk by regularly monitoring current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Group had no bank borrowings and did not pledge any assets to obtain collateral overdrafts and other loan facilities during the year ended 31 December 2023.

FOREIGN CURRENCY MANAGEMENT AND EXCHANGE CONTROL

The investments of the Company were mainly denominated in HK\$ and United States Dollar. The Company currently does not have a foreign currency hedging policy. However, the Group monitors its foreign exchange currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The Company does not have a significant exposure to foreign currency risk as HK\$ remains pegged to United States Dollar, significant exposure is not expected in United States Dollar transactions and balances.

To the best knowledge, information and belief of the Directors, there are no foreign exchange controls in force in Hong Kong and United States.

TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

FEES AND EXPENSES

The Company will pay the fees of the Investment Manager, as described below. In addition, the Company will pay certain other costs and expenses incurred in its operation, including taxes, expenses for legal, auditing and consulting services, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest and brokerage cost.

INVESTMENT MANAGEMENT FEES

Pursuant to the investment management agreement dated 29 February 2016, a supplemental investment management agreement dated 24 November 2016 and a renewal agreement dated 21 November 2023 entered into by the Company and the Investment Manager, the Company will pay to the Investment Manager a management fee as described below:

Management Fees

According to the renewal agreement dated 21 November 2023, the Company shall pay Tiger Securities a management fee of 0.8% per annum on the net asset value as per the management account of the Company of the preceding month with an annual cap of HK\$660,000 for the investment management services period to 31 August 2024.

The above management fees paid or payable to Tiger Securities are continuing connected transactions (“CCT”) as defined in Chapter 14A of the Listing Rules but regarded as *de minimis* transaction pursuant to Rule 14A.76(1) of the Listing Rules as the CCT had fulfill the relevant requirements.

NOTICE OF ANNUAL GENERAL MEETING

Cocoon Holdings Limited 中國天弓控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 428)

NOTICE IS HEREBY GIVEN that the annual general meeting of Cocoon Holdings Limited (the “**Company**”) will be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 27th June 2024 at 11:00 a.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the report of the directors and independent auditor’s report for the year ended 31st December 2023.
2. (a) To re-elect Mr. Wu Ming Gai as an executive director of the Company.

(b) To re-elect Mr. Chau Wai Hing as an executive director of the Company.

(c) To authorise the board of directors of the Company to fix the remuneration of directors of the Company for the year ending 31st December 2024.
3. To re-appoint McMillan Woods (Hong Kong) CPA Limited as the independent auditor of the Company and to authorise the board of directors of the Company to fix the remuneration of the independent auditor of the Company.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total number of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution), and the said approval shall be limited accordingly; and
 - (c) for the purposes of this Resolution,
 - “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares of the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; (iii) an issue of shares of the Company as scrip dividends pursuant to the bye-laws of the Company from time to time; (iv) an issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the total number of the issued shares of the Company as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution), and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on fixed record date in proportion to their then holdings of such shares of the Company as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** subject to the passing of ordinary resolutions in items 4 and 5 of the notice convening the meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to ordinary resolution in item 5 of the notice convening this meeting be and is hereby extended by the addition thereto of a number representing the total number of issued shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution in item 4 of the notice convening this meeting (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution).”

7. As special business, to consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT** subject to and conditional upon (a) the Stock Exchange granting the listing of, and permission to deal in, the New Shares (as defined below); (b) the requirements under the Companies Act and applicable laws of Bermuda to effect the Capital Reorganisation, which includes the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due; (c) the compliance with the Bye-Laws, the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and (d) the obtaining of all or otherwise as may be required in respect of the Capital Reorganisation, with effect from the second business day immediately following the date on which the aforesaid conditions are fulfilled:

- (i) every ten (10) issued and unissued existing shares in the issued share capital of the Company of par value of HK\$0.1 each be consolidated into one (1) consolidated share (the “**Consolidated Share(s)**”) of par value of HK\$1.0 each (the “**Share Consolidation**”);
- (ii) immediately following the Share Consolidation becoming effective, the issued share capital of the Company be reduced by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (ii) a cancellation of HK\$0.99 of the paid-up capital of the Company on each issued Consolidated Share so that each issued Consolidated Share will be treated as one (1) fully paid-up share of par value HK\$0.01 each in the share capital of the Company (the “**New Share(s)**”) (the “**Capital Reduction**”) and the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) immediately following the Share Consolidation and the Capital Reduction becoming effective, each authorised but unissued Consolidated Share be subdivided into one hundred (100) authorised but unissued New Shares of par value HK\$0.01 each (the “**Share Subdivision**”) so that immediately following the Share Consolidation, the Capital Reduction and the Share Subdivision, the authorised share capital of the Company shall become HK\$1,000,000,000 divided into 100,000,000,000 New Shares;
- (iv) the New Shares shall rank *pari passu* in all respects with each other and have such rights and be subject to such restrictions as set out in the bye-laws of the Company (the “**Bye-laws**”);
- (v) immediately following the Capital Reduction and Sub-division becoming effective, the entire amount of approximately HK\$71,924,000 standing to the credit of the Share Premium Account be reduced (the “**Share Premium Reduction**”, together with the Share Consolidation, Sub-division and the Capital Reduction, the “**Capital Reorganisation**”) by approximately HK\$71,924,000 to nil;
- (vi) the entire credit amount arising from the Capital Reduction and the Share Premium Reduction of HK\$142,010,302 be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 (as amended) of Bermuda to then be applied to set off the accumulated losses of the Company as at the effective date of the Capital Reorganisation or be applied by the board of directors of the Company in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the shareholders of the Company;
- (vii) the directors of the Company be and are hereby authorised to apply the amount standing to the credit of the contributed surplus account of the Company, if any, in such manner as they consider appropriate; and
- (viii) any one of the Directors of the Company be hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under the common seal of the Company, where applicable, as he/she may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reorganisation.

By Order of the Board
Cocoon Holdings Limited
Chau Wai Hing
Chairman

Dated this 31 May 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the above annual general meeting (or any adjournment thereof) (the “**Meeting**”) is entitled to appoint another person as proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from 24th June 2024 to 27th June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on 21st June 2024.
4. With regard to the resolutions in item no.2 in this notice, details of the retiring directors of the Company are set out in Appendix II to the Company’s circular to Shareholders dated 31 May 2024.
5. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under ordinary resolution in item 4 above is set out in Appendix I to the Company’s circular to Shareholders dated 31 May 2024.
6. If any Shareholder has any question relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company’s share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre 183 Queen’s Road East, Wan Chai, Hong Kong
Email: hkinfo@computershare.com.hk
Tel: 2862 8555
Fax: 2865 0990

7. As at the date of this notice, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; and three independent non-executive Directors, namely Ms. Chan Man Yi, Ms. Leung Yin Ting and Mr. Wong Sze Lok.