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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in **Safety Godown Company, Limited**, you should at once hand this circular and the accompanying 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.

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SAFETY GODOWN COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 237)

**NOTICE OF ANNUAL GENERAL MEETING
AND
PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 2 to 5 of this circular.

A notice convening the AGM to be held at The LU+, Business Centre, 3/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 19 August 2024 at 1:00 p.m. is set out in **Appendix I** to this circular. A form of proxy for use at the AGM is also enclosed. Whether or not you are able to attend the AGM or any adjourned meeting in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and return it to the registered office of the Company at Unit 1801, 18/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

11 July 2024

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at The LU+, Business Centre, 3/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 19 August 2024 at 1:00 p.m. (or any adjournment thereof);
“AGM Notice”	the notice dated 11 July 2024 convening the AGM as set out in Appendix I to this circular;
“Articles of Association”	Articles of Association of the Company;
“Board”	the board of Directors;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	Safety Godown Company, Limited 安全貨倉有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00237);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	3 July 2024, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of the Company;
“Shareholders”	holder(s) of the Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

LETTER FROM THE BOARD

安全貨倉有限公司

SAFETY GODOWN COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 237)

Executive Directors:

Lu Wing Yee, Wayne

Lu Wing Man, Melissa

Non-executive Director:

Lee Ka Sze, Carmelo

Independent Non-executive Directors:

Lam Ming Leung

Leung Man Chiu, Lawrence

Wong Wilkie

Registered office:

Unit 1801, 18/F., Lu Plaza

2 Wing Yip Street

Kwun Tong, Kowloon

Hong Kong

11 July 2024

To the Shareholders

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
AND
PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to, among other things, (i) the re-election of retiring Directors and (ii) the renewal of general mandates to issue Shares and buy back Shares.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. Lu Wing Yee, Wayne and Ms. Lu Wing Man, Melissa; the non-executive Director is Mr. Lee Ka Sze, Carmelo and the independent non-executive Directors are Mr. Lam Ming Leung, Mr. Leung Man Chiu, Lawrence and Mr. Wong Wilkie.

In accordance with Articles 78 and 79 of the Articles of Association, Mr. Lu Wing Yee, Wayne (“Mr. Lu”) and Mr. Lam Ming Leung (“Mr. Lam”) shall retire by rotation at the AGM and, being eligible, have offered themselves for re-election.

LETTER FROM THE BOARD

In accordance with Article 83 of the Articles of Association, Ms. Lu Wing Man, Melissa (“Ms. Lu”) and Mr. Wong Wilkie (“Mr. Wong”) shall retire at the AGM and, being eligible, have offered themselves for re-election.

The Remuneration and Nomination Committee of the Company had assessed and reviewed the annual confirmation of independence of each of the independent non-executive Directors for the year ended 31 March 2024 based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them, including Mr. Lam and Mr. Wong, remain independent. The Remuneration and Nomination Committee had considered and nominated the above retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM.

Accordingly, with the recommendation of the Remuneration and Nomination Committee, the Board has proposed that all the above retiring Directors, namely Mr. Lu, Mr. Lam, Ms. Lu and Mr. Wong stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the above retiring Directors shall be abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

Mr. Lam, who was appointed as independent non-executive Director in 2004, had served as an independent non-executive Director for more than 9 years. During his tenure of office, Mr. Lam had been able to fulfill all the requirements regarding independence of independent non-executive Director and provide annual confirmation of independence to the Company under Rule 3.13 of the Listing Rules. The Board is not aware of any foreseeable events that may occur and affect the independence of Mr. Lam and believes that he is and shall continue to be independent of the Company. The Board will continue to review the independence of Mr. Lam annually.

Besides, during his tenure of office, Mr. Lam had discharged his duties as independent non-executive Director to the satisfaction of the Board. Through exercising the scrutinizing and monitoring function of independent non-executive Director, he had contributed to the effectiveness of the Board for the interest of the Shareholders.

In view of the above, the Board considers that the re-election of Mr. Lam as an independent non-executive Director is beneficial to the Board, the Company and the Shareholders as a whole. Separate resolution will be proposed at the AGM to approve the re-election of Mr. Lam as independent non-executive Director.

Details of the retiring Directors that are required to be disclosed under the Listing Rules are set out in **Appendix II** to this circular.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES

At the last annual general meeting of the Company held on 18 August 2023, ordinary resolutions were passed whereby general mandates were given to the Board (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the total number of issued Shares as at 18 August 2023; and (ii) to buy-back Shares not exceeding 10% of the total number of issued Shares as at 18 August 2023. Such mandates will lapse at the conclusion of the AGM unless being renewed at that meeting.

Ordinary Resolution No. 5 set out in the AGM Notice will be proposed to renew the 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 (subject to adjustment in case of subdivision and consolidation of Shares).

Ordinary Resolution No. 6 set out in the AGM Notice will be proposed to renew the mandate to buy-back Shares not exceeding 10% of the total number of issued Shares as at the date of passing the resolution (subject to adjustment in case of subdivision and consolidation of Shares).

In addition, subject to the passing of the Ordinary Resolutions Nos. 5 and 6, any Shares bought-back by the Company under the Ordinary Resolution No. 6 will also be added to the mandate for issue of additional Shares as set out in Ordinary Resolution No. 7 (subject to adjustment in case of subdivision and consolidation of Shares).

The Board wishes to state that they have no immediate plans to issue any new Shares or to buy-back any Shares pursuant to the relevant mandates. Approval is being sought from the Shareholders as a general mandate for the purposes of Sections 140 and 141 of the Companies Ordinance and the Listing Rules.

An explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the share buy-back mandate is set out in **Appendix III** to this circular.

NOTICE OF ANNUAL GENERAL MEETING

The AGM Notice is set out in **Appendix I** to this circular. At the AGM, the ordinary resolutions numbered 3, 5, 6 and 7 will be proposed to re-elect the retiring Directors, to approve the renewal of general mandates to buy back, allot, issue and otherwise deal with additional Shares. Please refer to the AGM Notice for arrangement in time of bad weather.

A form of proxy for use at the AGM and the 2023/24 Annual Report are being sent to the Shareholders together with this circular. Whether or not you are able to attend the meeting, please complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Unit 1801, 18/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting if you so wish.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at a 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 matters to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Accordingly, the chairman of the meeting will at the AGM demand a poll on all resolutions set out in the AGM Notice pursuant to Article 57 of the Articles of Association.

Pursuant to Article 61 of the Articles of Association, upon a poll every member present in person or by proxy shall have one vote for every Share held by him. On a poll a member entitled to more than one vote needs not use all his votes or cast his votes in the same way.

Tricor Standard Limited, the Company's share registrar, will be appointed as scrutineer of the poll.

RECOMMENDATION

The Board considers that the re-election of the retiring Directors, the general mandates to issue and buy-back Shares are in the best interests of the Company and the Shareholders, and accordingly recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
Safety Godown Company, Limited
Lu Wing Yee, Wayne
Executive Director



SAFETY GODOWN COMPANY, LIMITED

*(Incorporated in Hong Kong with limited liability)***(Stock Code: 237)**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Safety Godown Company, Limited (the “Company”) will be held at The LU+, Business Centre, 3/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 19 August 2024 at 1:00 p.m. (or in the event that a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 11:00 a.m. or any time after 11:00 a.m. on that day, at the same time and place on the first Business Day (as defined in note (7) below) after 19 August 2024) for the following purposes:

1. To receive and consider the audited consolidated Financial Statements, the Report of the Directors of the Company and the Independent Auditor’s Report for the year ended 31 March 2024.
2. To declare a final dividend for the year ended 31 March 2024.
3.
 - (a) To re-elect Mr. Lu Wing Yee, Wayne as an executive director of the Company.
 - (b) To re-elect Ms. Lu Wing Man, Melissa as an executive director of the Company.
 - (c) To re-elect Mr. Lam Ming Leung (who has served as an independent non-executive director for more than 9 years) as an independent non-executive director of the Company.
 - (d) To re-elect Mr. Wong Wilkie as an independent non-executive director of the Company.
 - (e) To authorise the board of directors of the Company to fix the remuneration of directors.
4. To re-appoint Deloitte Touche Tohmatsu as auditors and authorise the directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass the following Ordinary Resolutions:

ORDINARY RESOLUTIONS

5. “THAT:

- (a) subject to paragraph (b) of this Resolution and pursuant to Sections 140 and 141 of the Companies Ordinance, the exercise by the directors of the Company (the “directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which will or might require the exercise of such power during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares in the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company; or (iii) an issue of shares in the Company upon the exercise of subscription or conversion rights under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into shares of the Company; or (iv) an issue of shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares) and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the directors to holders of shares whose names appear on the Register of Members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject to such exclusions or other arrangements as the directors 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 applicable to the Company).”

6. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company (the “directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy-back shares of the Company in issue 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;
- (b) the aggregate number of shares of the Company which the Company is authorised to be bought-back by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

7. “**THAT** conditional upon the passing of Ordinary Resolutions Nos. 5 and 6 set out in the Notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot shares pursuant to Ordinary Resolution No. 5 set out in the Notice convening this meeting be and is hereby extended by the addition thereto of a number representing the aggregate number of the shares of the Company bought-back by the Company under the authority granted pursuant to Ordinary Resolution No. 6 set out in the Notice convening this meeting, provided that such extended number shall not exceed 10% of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares).”

By Order of the Board
Safety Godown Company, Limited
Mui Ngar May, Joel
Company Secretary

Hong Kong, 11 July 2024

Notes:

- (1) The Annual General Meeting will be held in a form of physical meeting. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, to vote in his stead and to speak at the meeting (or at any adjournment of it) provided that each proxy is appointed to exercise the rights attached to a different number of shares held by the member as specified in the proxy form. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company at Unit 1801, 18/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (2) To ascertain the shareholders' entitlement to attend and vote at the Annual General Meeting, the Register of Members will be closed from Wednesday, 14 August 2024 to Monday, 19 August 2024, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend, speak and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 13 August 2024.
- (3) To ascertain the shareholders' entitlement to the proposed final dividend, the Register of Members will be closed from Wednesday, 28 August 2024 to Monday, 2 September 2024, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 27 August 2024.
- (4) Subject to approval by the shareholders at the Annual General Meeting of the Company, the final dividend will be paid on 17 September 2024 to every shareholder registered as a member on the Register of Members of the Company at the close of business on 2 September 2024.
- (5) With reference to item no. 3 in this Notice, Mr. Lu Wing Yee, Wayne, Ms. Lu Wing Man, Melissa, Mr. Lam Ming Leung and Mr. Wong Wilkie shall retire and, being eligible, have offered themselves for re-election at the Annual General Meeting of the Company. Details of these directors are set out in Appendix II of the circular dated 11 July 2024.

- (6) Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this Notice will be decided by poll at the above meeting.

- (7) “Business Day” means any day (excluding Saturday) on which no black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 11:00 a.m. on that day and on which banks in Hong Kong are generally open for business. If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at 11:00 a.m. or any time after 11:00 a.m. on 19 August 2024, the Annual General Meeting of the Company will not be held on that day but will be held at the same time and place on the first Business Day after 19 August 2024 instead.

The following are the biographical details of the four retiring Directors proposed to be re-elected at the AGM. Save for the information set out below, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders in respect of these retiring Directors who stand for re-election as Directors at the AGM.

Mr. Lu Wing Yee, Wayne, aged 50, was appointed as an Executive Director of the Company on 12 December 2008. He has joined the Group since July 2001. Prior to his appointment as Executive Director, he was the Group Manager of the Group in charge of day-to-day operations of the Group. He has extensive experience in the field of accounting, auditing, financial management and operations control. Mr. Lu holds a master degree in business administration, a bachelor degree of science in business administration and a diploma in risk management. He is also a member of The American Institute of Certified Public Accountants. Mr. Lu had previously worked for audit firm, securities and brokerage firm and listed property company. Mr. Lu is a director and shareholder of Kian Nan Financial Limited, which is a substantial shareholder of the Company as defined in Part XV of the SFO. He is the son of Mr. Lu Sin, the late Chairman of the Company and Ms. Chan Koon Fung, a substantial shareholder of the Company as defined in Part XV of the SFO. He is also the brother of Ms. Lu Wing Man, Melissa, an Executive Director of the Company.

Save as disclosed above and at the Latest Practicable Date, Mr. Lu did not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company and did not hold any directorship in other public companies listed on any securities market in Hong Kong or overseas in the last three years.

There is no service contract entered into between Mr. Lu and the Company and no fixed or proposed length of service with the Company. Mr. Lu is subject to retirement by rotation and re-election in accordance with the Articles of Association. The Director's fee payable to him shall be subject to review by the Board from time to time pursuant to the power given to it at the AGM. His other emolument is determined with reference to his duties and responsibilities and the Company's performance and profitability. From October 2011, Mr. Lu has voluntarily agreed suspension of payment of his salaries. For the year ended 31 March 2024, Mr. Lu received a Director's fee of HK\$67,119 per annum from the Company.

As at the Latest Practicable Date, Mr. Lu had a personal interest of 28,301,580 shares of the Company within the meaning of Part XV of the SFO. Mr. Lu was also deemed under the SFO to be interested in 13,200,000 shares of the Company as he was one of the executors of the estate of Mr. Lu Sin (deceased).

Ms. Lu Wing Man, Melissa, aged 48, was appointed as an Executive Director of the Company on 12 December 2023. Ms. Lu joined the Group in July 2023 and held the position of Group Manager of the Group. She has extensive experience in banking finance and financial management. Ms. Lu holds a bachelor degree of science in business administration. Prior to joining the Group, Ms. Lu worked in banking with previous post as a Managing Director and Head of Syndicated and Leveraged Finance Loans, Asia at J.P. Morgan. During her term of office at J.P. Morgan, Ms. Lu represented the bank as a board member and executive committee member of the Asia Pacific Loan Market Association. Ms. Lu is a director and shareholder of Kian Nan Financial Limited, which is a substantial shareholder of the Company as defined in Part XV of the SFO. She is the daughter of Mr. Lu Sin, the late Chairman of the Company and Ms. Chan Koon Fung, a substantial shareholder of the Company as defined in Part XV of the SFO. She is also the sister of Mr. Lu Wing Yee, Wayne, an Executive Director of the Company.

Save as disclosed above and at the Latest Practicable Date, Ms. Lu did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Lu did not hold any other directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years.

There is no service contract entered into between Ms. Lu and the Company and no fixed or proposed length of service with the Company. Ms. Lu is subject to retirement by rotation and re-election in accordance with the Articles of Association. Ms. Lu is entitled to receive a salary of HK\$188,000 per month with a discretionary bonus at the end of the year, subject to her performance and as determined by the Board (based on the recommendation of the Remuneration and Nomination Committee). For the year ended 31 March 2024, Ms. Lu received a total annual emolument of HK\$1,471,796 from the Company. Her emolument is determined with reference to her duties and responsibilities and the Company's performance and profitability.

As at the Latest Practicable Date, Ms. Lu had a personal interest of 19,447,500 shares of the Company within the meaning of Part XV of the SFO.

Mr. Lam Ming Leung, aged 72, has been an Independent Non-executive Director of the Company since 1 January 2004. Mr. Lam was a director and general manager of The National Commercial Bank Limited, Hong Kong Branch.

Mr. Lam is the Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee of the Company.

As at the Latest Practicable Date, Mr. Lam did not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lam did not hold any other directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Lam did not hold any position in any members of the Group.

Mr. Lam has given his annual confirmation of independence to the Company and the Remuneration and Nomination Committee of the Company had assessed and reviewed it based on the independence criteria as set out in Rule 3.13 of the Listing Rules. He does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. The Board is also not aware of any circumstance that might influence Mr. Lam in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of an Independent Non-executive Director and he will be able to maintain an independent view of the Group's affairs. The Board considers him to be independent. The Board is of the view that Mr. Lam is beneficial to the Board with diversity of his comprehensive experience and knowledge that contributes to invaluable expertise, continuity and stability to the Board, and the Company has benefited greatly from his contribution and valuable insights derived from his in-depth knowledge of the Company. The Board believes that he will continue to contribute effectively to the Board.

There is no service contract entered into between Mr. Lam and the Company and no fixed or proposed length of service with the Company. Mr. Lam is subject to retirement by rotation and re-election in accordance with the Articles of Association. The Director's fee payable is determined in accordance with his duties and responsibilities and are subject to review and determination by the Board from time to time based on the recommendation of the Remuneration and Nomination Committee and in accordance with the authority delegated to it at the AGM. For the year ended 31 March 2024, Mr. Lam received a fixed remuneration of HK\$81,600 as Director's fee per annum and additional fee of HK\$143,500 and HK\$71,800 as a member of Audit Committee and Remuneration and Nomination Committee, respectively.

As at the Latest Practicable Date, Mr. Lam had a personal interest of 30,000 shares of the Company within the meaning of Part XV of the SFO.

Mr. Lam has confirmed (a) his independence as regards to each of the factors contained in the Rule 3.13(1) to (8) of the Listing Rules; (b) that he had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Listing Rules) of the Company; and (c) that there are no other factors that may affect his independence at the time of his re-election.

Mr. Wong Wilkie, aged 51, was appointed as the Independent Non-executive Director of the Company on 12 December 2023. He has very extensive experience in strategic consultancy, industry, finance and supply chain management. Mr. Wong holds a Bachelor of Science (Civil Engineering) and a Master of Science (Operations Research) from Columbia University in the City of New York, USA, and a Master of Business Administration degree from Sloan School of Management, the Massachusetts Institute of Technology, USA. Mr. Wong is currently the Chief Financial Officer of Esquel Group, a world-leading, knowledge-based innovative textile and apparel company, responsible for the group's finance, logistics and corporate communications. He joined the group in 2004 and has extensive experience in finance and supply chain management related to the textile industry. Before joining Esquel Group, Mr. Wong worked in McKinsey & Company as a management consultant in Greater China Region, providing consulting services for international and local companies, with a focus on consumer goods and retail sectors. He has extensive experience in strategic and business development, M&A advisory, organizational restructuring and operational improvement. Mr. Wong also serves on a voluntary basis as a director of the CCC Tai Kok Tsui Kei Tsun Church Limited and a member of the Incorporated Management Committee of the CCC Kei Chun Primary School.

Mr. Wong is a member of the Audit Committee of the Company.

As at the Latest Practicable Date, Mr. Wong did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wong did not hold any other directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years.

There is no service contract entered into between Mr. Wong and the Company and no fixed or proposed length of service with the Company. Mr. Wong is subject to retirement by rotation and re-election in accordance with the Articles of Association. The Director's fee payable is determined in accordance with his duties and responsibilities and are subject to review and determination by the Board from time to time based on the recommendation of the Remuneration and Nomination Committee and in accordance with the authority delegated to it at the AGM. Mr. Wong is entitled to receive a director's fee of HK\$38,400 per annum and an additional director's fee of HK\$143,500 per annum as a member of the Audit Committee. For the year ended 31 March 2024, Mr. Wong received a total of directors' fee of HK\$59,966 from the Company.

As at the Latest Practicable Date, Mr. Wong had a personal interest of 120,000 shares of the Company within the meaning of Part XV of the SFO.

Mr. Wong has confirmed (a) his independence as regards to each of the factors contained in the Rule 3.13(1) to (8) of the Listing Rules; (b) that he had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Listing Rules) of the Company; and (c) that there are no other factors that may affect his independence at the time of his re-election.

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the buy-back mandate and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 405,000,000 Shares.

EXERCISE OF THE BUY-BACK MANDATE

Resolution No. 6 set out in the AGM Notice will, if passed, give a general mandate to the Directors authorising the buy-back by the Company of up to 10% of the Shares in issue as at the date of the AGM (subject to adjustment in case of subdivision and consolidation of Shares) at any time until the end of the Relevant Period as defined in Resolution No. 6 set out in the AGM Notice.

Accordingly, exercise in full of the buy-back mandate (on the basis of 405,000,000 Shares in issue as at the Latest Practicable Date and assuming no Shares are issued or bought-back prior to the date of the AGM) would result in up to 40,500,000 Shares being bought-back by the Company during the Relevant Period (subject to adjustment in case of subdivision and consolidation of Shares).

REASONS FOR BUY-BACK

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to buy-back Shares. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and/or its earnings per share and will only be made when the Directors believe that such buy-back will benefit the Company and its Shareholders.

FUNDING OF BUY-BACK

In buy-back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the applicable laws of Hong Kong and the Listing Rules. Any buy-back will be made out of funds of the Company legally permitted to be utilised in this connection, being distributable profits of the Company or the proceeds of a new issue of Shares made for such purpose.

If the share buy-back mandate were exercised in full at any time during the Relevant Period, there could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements as at 31 March 2024). The Directors therefore do not propose to exercise the power under the share buy-back mandate to such an extent unless it is determined by the Directors that such buy-back are, taking account of all relevant factors, in the best interests of the Company.

GENERAL

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event the share buy-back mandate 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 have undertaken not to do so, in the event that the buy-back mandate is approved by the Shareholders.

The Directors will only exercise the buy-back mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

The Company confirmed that neither this explanatory statement nor the share buy-back mandate has any unusual features.

The Company intends to cancel the repurchased Shares following settlement of such repurchase.

TAKEOVERS CODE

If as a result of a buy-back by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of The Codes on Takeovers and Mergers and Share Buy-backs (the "Takeovers Code"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, could, depending upon the level of increase in shareholding interest(s), 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, Mr. Lu Wing Yee, Wayne (an executive Director) and Ms. Chan Koon Fung, in their capacities as the executors of the estate of the late Mr. Lu Sin and in their personal capacities, and parties acting in concert with them together already controlled more than 50%, in aggregate, of the voting rights of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any buy-back made under the buy-back mandate.

In the event that the buy-back mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
July	2.240	1.960
August	2.200	1.950
September	2.100	1.870
October	2.050	1.860
November	1.980	1.910
December	2.030	1.900
2024		
January	2.000	1.890
February	2.210	1.870
March	1.980	1.860
April	2.000	1.950
May	1.980	1.860
June	2.050	1.860
July (from 1 July up to Latest Practicable Date)	2.040	1.950

SHARE BUY-BACK BY THE COMPANY

The Company has not bought back any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.