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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Unity Group Holdings International Limited (the “Company”), you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

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## Unity Group Holdings International Limited 知行集團控股國際有限公司

*(incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1539)

- (1) CONDITIONAL GRANT OF SHARE OPTIONS;  
(2) ISSUE OF SETTLEMENT SHARES  
UNDER SPECIFIC MANDATES;  
(3) CONNECTED TRANSACTIONS IN RELATION TO ISSUE OF  
SETTLEMENT SHARES UNDER SPECIFIC MANDATES;  
AND  
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



瓏盛資本有限公司  
Draco Capital Limited

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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 8 to 23 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 24 to 25 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 44 of this circular.

A notice convening the EGM of Unity Group Holdings International Limited (the “Company”) to be held at 2/F, J Plus, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Thursday, 15 June 2023 at 10:30 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use in connection with the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.unitygroup.eco>).

Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deliver with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event no later than 10:30 a.m. (Hong Kong time) on Tuesday, 13 June 2023 (or if the EGM is adjourned, not less than 48 hours before the time appointed for holding of the adjourned EGM). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

The English version of this circular shall prevail if there is any inconsistency or ambiguity between the contents of the English version and Chinese version of this circular.

23 May 2023

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## DEFINITIONS

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

“Adjudicator”	such person with experience in the adjudication of creditors’ claims in a liquidation as the Scheme Administrators shall nominate at their absolute discretion
“Admitted Claims”	the Claims of the Scheme Creditors against the Company which have been admitted by the Scheme Administrators or Adjudicator in accordance with the Scheme, the amount of which shall not include any interest accrued on the principal owed by the Company
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Cash Option”	comprising the First Distribution and the Repayment Obligation under the Scheme, representing the Initial Cash Payment and the net cash flow to be generated by the Group over a period of 30 months equivalent to the total amount of Admitted Claims of Scheme Creditors who opt for the Cash Option as at the Effective Date of the Scheme plus interest calculated at 2.5% per annum on the Principal then outstanding incurred as from the Effective Date to be paid to Scheme Creditors who opt for the Cash Option

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## DEFINITIONS

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“Claims”	any unsecured debt, liability or obligation of the Company as at the Effective Date, whether certain or contingent, whether present, future or prospective, whether liquidated or unliquidated, whether arising at common law, in equity or by statute, in Hong Kong, the People’s Republic of China or in any other jurisdiction or in any manner whatsoever and which includes without limitation a debt or liability to pay money or money’s worth, any liability in contract or tort, any liability arising out of any legal claim, whether certain or contingent, which would be provable in a winding-up of the Company under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if an order for the winding-up of the Company were made on the Effective Date
“Company”	Unity Group Holdings International Limited, a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange
“Conditional Grant”	the proposed grant of 23,856,680 Share Options to Mr. Wong to subscribe for 23,856,680 new Shares, which is subject to the approval of the independent shareholders at the EGM
“Director(s)”	the director(s) of the Company
“Deeds of Assignment”	the deeds of assignments entered into between certain Scheme Creditors and Mr. Wong in relation to the assignments of their respective Admitted Claims to Mr. Wong
“Dragon Founder”	Dragon Founder Limited, a company incorporated in Hong Kong with limited liability, an Independent Third Party
“Dragon Founder’s Settlement Agreement”	the settlement agreement dated 14 April 2023 entered into between the Company and Dragon Founder for the allotment of 14,569,650 Shares to Dragon Founder
“Effective Date”	the date on which the Scheme becomes effective which is the date when the Initial Cash Payment is received by the SchemeCo, i.e. 21 February 2023

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## DEFINITIONS

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“EGM”	the extraordinary general meeting to be held and convened for the purposes of approving, among others, the ordinary resolutions in respect of the allotment and issue of the Settlement Shares and the Conditional Grant
“Equity Option”	the allotment, issue and registration of newly issued shares of the Company at a premium of 25% to the average closing price of the shares of the Company as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date for the total amount of Admitted Claims of the Scheme Creditors who opt for the Equity Option as at the Effective Date
“First Distribution”	a cash payment equivalent to 5% of the Admitted Claims of the Scheme Creditors who opt for the Cash Option
“First Distribution Date”	the date fixed by the Scheme Administrators for the First Distribution to the Scheme Creditors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interest”	interest calculated at 2.5% per annum on the Principal then outstanding incurred as from the Effective Date to be paid to Scheme Creditors who opt for the Cash Option
“Independent Board Committee”	the independent committee of the Board which comprises all the independent non-executive Directors, namely Mr. Chung Koon Yan, Mr. Cheung Yick Hung Jackie, Dr. Wong Chi Ying Anthony and Mr. Tang Warren Louis to advise the Independent Shareholders in respect of the allotment and issue of Shares to Mr. Wong and Mr. Lam and the transactions contemplated thereunder

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## DEFINITIONS

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“Independent Financial Adviser”	Draco Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the allotment and issue of Shares to Mr. Wong and Mr. Lam and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons within the meaning ascribed to such term in the Listing Rules
“Independent Shareholders”	shareholder(s) other than (i) Mr. Wong and his associates (if any); (ii) those who have a material interest in the allotment and issue of Shares to Mr. Wong and Mr. Lam or any other person who is required by the Listing Rules to abstain from voting on the resolutions approving the allotment and issue of Shares to Mr. Wong and Mr. Lam
“Initial Cash Payment”	a cash payment equivalent to 5% of the Principal made by the Company to the SchemeCo
“Latest Practicable Date”	17 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Minimum Yearly Payment”	<p>minimum yearly payment to be paid out of the net cash flow to be generated by the Group in fulfilling the Repayment Obligation:</p> <p>Year 1: 40% of the Principal by year end plus full amount of the Interest incurred during Year 1 being paid semi-annually</p> <p>Year 2: 40% of the Principal by year end plus full amount of the Interest incurred during Year 2 being paid semi-annually</p> <p>Year 3: 15% of the Principal by the 30th month from the Effective Date plus full amount of the Interest incurred from the beginning of Year 3 to the end of the 30th month from the Effective Date</p> <p>For the avoidance of doubt, “Year 1” shall be commenced from the First Distribution Date and the meanings for “Year 2” shall be construed accordingly, whilst “Year 3” shall mean by the end of the 30th month from the Effective Date</p>
“Mr. Lam”	Mr. Lam Arthur, a former Director
“Mr. Lam’s Settlement Agreement”	the settlement agreement dated 14 April 2023 entered into between the Company and Mr. Lam for the allotment of 110,235,985 Shares to Mr. Lam (or his nominee)
“Mr. Wong”	Mr. Wong Man Fai Mansfield, the chairman, chief executive officer, executive Director and substantial shareholder of the Company
“Mr. Wong’s Settlement Agreement”	the settlement agreement dated 14 April 2023 entered into between the Company and Mr. Wong for the allotment of 605,255,597 Shares to Mr. Wong (or his nominee)
“Principal”	the outstanding principal of all the liabilities of the Scheme Creditors as at the Effective Date of the Scheme

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## DEFINITIONS

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“Repayment Obligation”	subject to the amount of Admitted Claims of Scheme Creditors who opt for the Cash Option, the maximum repayment obligation of the Principal and the Interest to be paid out from the net cash flow to be generated by the Group over a period of not more than 30 months with the Minimum Yearly Payment
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement for the Company pursuant to sections 670 and 673 of the Companies Ordinance (Cap. 622), or with or subject to any modification of it, any addition to it or any condition imposed by the High Court of Hong Kong
“Scheme Administrators”	representatives of Deloitte Touche Tohmatsu, or their successors to be jointly and severally appointed as scheme administrators pursuant to the terms of the Scheme
“Scheme Assets”	the assets to be transferred to SchemeCo from time to time for the benefits of the Scheme Creditors under the Scheme
“SchemeCo”	a special purpose vehicle established and controlled by the Scheme Administrators to hold Scheme Assets pursuant to the terms of the Scheme of Arrangement
“Scheme Creditors”	all creditors with Admitted Claims
“Settlement Agreements”	Dragon Founder’s Settlement Agreement, Mr. Lam’s Settlement Agreement and Mr. Wong’s Settlement Agreement collectively
“Settlement Share(s)”	a total of 730,061,232 new Shares to be allotted and issued by the Company pursuant to the Settlement Agreements
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the share option(s) granted or to be granted under the Share Options Scheme to subscribe for Shares in accordance with the terms thereof



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## DEFINITIONS

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“Share Option Scheme”	the share option scheme adopted by the Company on 5 March 2015 (which was amended on 26 October 2016)
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandates”	the specific mandates to be obtained at the EGM to grant the authority to the Board for the allotment and issue of Settlement Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

\* *For identification purposes only*

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LETTER FROM THE BOARD

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**Unity Group Holdings International Limited**  
**知行集團控股國際有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1539)**

*Executive Director:*

Mr. Wong Man Fai Mansfield  
*(Chairman and Chief Executive Officer)*

*Non-executive Director:*

Mr. Tsang Sze Wai Claudius

*Independent non-executive Directors:*

Mr. Chung Koon Yan  
Mr. Cheung Yick Hung Jackie  
Dr. Wong Chi Ying Anthony  
Mr. Tang Warren Louis

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

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

15th Floor  
Chinachem Century Tower  
178 Gloucester Road  
Wan Chai, Hong Kong

23 May 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) CONDITIONAL GRANT OF SHARE OPTIONS;  
(2) ISSUE OF SETTLEMENT SHARES  
UNDER SPECIFIC MANDATES;  
AND  
(3) CONNECTED TRANSACTIONS IN RELATION TO ISSUE OF  
SETTLEMENT SHARES UNDER SPECIFIC MANDATES**

**1. INTRODUCTION**

References are made to (i) the announcement of the Company dated 20 March 2023 in relation to the Conditional Grant of Share Options to Mr. Wong; and (ii) the announcement of the Company dated 14 April 2023 in relation to the issue of Settlement Shares.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further information in relation to the Conditional Grant of the Share Options to Mr. Wong; (ii) details of the allotment and issue of the Settlement Shares; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the allotment and issue of Shares to Mr. Wong and Mr. Lam; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the allotment and issue of Shares to Mr. Wong and Mr. Lam.

### 2. CONDITIONAL GRANT OF SHARE OPTIONS TO MR. WONG

On 20 March 2023, the Board (including the independent non-executive Directors, and excluding Mr. Wong who abstained from voting) resolved to grant 23,856,680 Share Options to Mr. Wong, the granting of Share Options to Mr. Wong is conditional upon the approval by the independent shareholders at the EGM.

Details of the Conditional Grant are as follows:

Date of Grant	:	20 March 2023 (the “ <b>Date of Grant</b> ”).
Subscription price of the Share Options to be granted to Mr. Wong	:	HK\$0.139 per Share, represents a price which is higher than the highest of (i) the closing price of HK\$0.133 per Share as stated in the daily quotation sheet issued by the Stock Exchange on 20 March 2023, being the Date of Grant; (ii) the average closing price of HK\$0.1388 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) trading days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.01 per Share.
Number of Share Options to be granted to Mr. Wong	:	23,856,680 Share Options, each Share Option shall entitle Mr. Wong to subscribe for one (1) Share, the 23,856,680 Share Options represent approximately 1.00% of the total issued Shares as at the Date of Grant.
Closing price of the Shares on the Date of Grant	:	HK\$0.133 per Share.
Validity period and vesting conditions of the Share Options	:	Subject to the independent shareholders’ approval at the EGM, 23,856,680 Share Options granted to Mr. Wong will vest on the date falling on the first anniversary of the Date of Grant and are exercisable from 20 March 2024 to 19 March 2026.

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## LETTER FROM THE BOARD

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- Consideration for acceptance : HK\$1.00 to be paid by Mr. Wong to the Company on the acceptance of the offer for the grant of 23,856,680 Share Options.
- Performance target : There is no performance target attached to the Share Options to be granted to Mr. Wong. The Company's Remuneration Committee is of the view that performance targets are not necessary for the following reasons: (i) the value of the Share Options to be granted to Mr. Wong will be linked to future price of the Shares, which in turn depends upon the performance of the Company; and (ii) the minimum vesting period stated above will ensure that the Mr. Wong's and the Company's long term interests are aligned and Mr. Wong will be motivated to contribute towards the Company's development.
- Clawback mechanism : There is no clawback mechanism attached to the Share Options to be granted to Mr. Wong. The Company's Remuneration Committee is of the view that a clawback mechanism is not necessary for the following reasons: (i) if the price of the Shares during the exercise period of the Share Options granted is lower than the exercise price therefor, the Share Options granted will be of no value; and (ii) the Share Option Scheme provide for the lapse and cancellation of share options under various scenarios and therefore adequately protect the Company's interests.
- Financial assistance : The Group has not provided any financial assistance to Mr. Wong to facilitate the purchase of Shares under the Share Option Scheme.

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## LETTER FROM THE BOARD

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The Shares to be allotted and issued to Mr. Wong upon the exercise of 23,856,680 Share Options shall rank *pari passu* in all respects with the fully-paid Shares in issue until completion of the registration of Mr. Wong as the holder on the register of members thereof, and accordingly will entitle Mr. Wong the same rights in relation to voting, dividend, transfer or other rights as the Shares in issue in accordance with the Articles of Association. Subject to the Share Option Scheme, the Shares Options themselves, however, do not carry any rights in relation to voting, dividend, transfer or other rights prior to being exercised and the underlying Shares being issued.

As at the Latest Practicable Date, no grant of Share Options has been made to Mr. Wong by the Company under the Share Option Scheme and any other share option schemes of the Company within the 12-month period prior to the Conditional Grant. None of the Directors is a trustee of the Share Option Scheme nor has any direct or indirect interest in the trustee(s) of the Share Option Scheme. After the Conditional Grant and on the basis that no Share Options will be granted before the date of EGM, the number of Shares available for future grant under the Share Option Scheme is 120,142,120 Shares.

### **Reasons for the Conditional Grant of Share Options**

As part of the Group's remuneration policy, the grant of Share Options aims to provide an incentive for the Directors, senior management and key employees to work with commitment towards enhancing the value of the Company and its Shares for the benefit of the Shareholders, and to maintain or attract business relationships with those whose contributions are beneficial to the growth of our Group.

The Conditional Grant is to provide incentives and rewards in retaining Mr. Wong for the continuous operation and development of the Group and for his persistent devotions and leadership by further aligning the interests of Mr. Wong and the Group, thereby enhancing the value of the Company and its Shares for the benefit of the Shareholders.

In determining the Conditional Grant, the Board has considered various factors including but not limited to:

- (a) the historical contributions, time commitment and responsibilities of Mr. Wong as Chairman of the Board, an executive Director and the Chief Executive Officer of the Group and that Mr. Wong is a key senior management and is crucial to the future development of the Group; and

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## LETTER FROM THE BOARD

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- (b) Mr. Wong is the Chief Executive Officer, Chairman of the Board and an executive Director of the Company and has extensive industrial and management experience. He is primarily responsible for the overall corporate strategies, development management and operation of the Group. Mr. Wong is also the founder of the Group, with over 14 years of efforts in leading the Group to remarkable milestones, he provides directions for the effectiveness and development of the business operations of the Group, including the identification of suitable acquisition and investment opportunities of the Group for expanding its business, which are in line with the Group's strategic directions with a view to diversifying the Group's revenue streams, and thereby making valuable contributions to the Group.

Under the leadership of Mr. Wong, the Group successfully established two new business segments in 2022, namely the renewable energy business segment and green property development business segment. Mr. Wong had also taken the leading role in arranging for settlement of various creditors' balances through issuance of new Shares of the Company in year 2021/2022.

Given Mr. Wong's expertise and management skills, his continued leading role in the Group will be of critical importance to the development and long-term growth of the Group, the Conditional Grant could effectively retain Mr. Wong to continue making significant contributions to the Group. In addition, the remuneration in the form of options will ensure Mr. Wong's interest is in line with the Shareholders' interests.

Having considered all the above factors and taking into account that (i) the historical contribution of Mr. Wong to the Group was significant; (ii) given his leading role, his expertise and management skills, his continued contribution to the Group is of critical importance to the further development and growth of the Group; (iii) the dilution effect of the Conditional Grant is insignificant; and (iv) the Conditional Grant will be satisfied by the issue and allotment of new Shares, and thus, will not impose additional pressure on the Group's cash flow which is significant to the Group's development at the present stage, the Board (including all the independent non-executive Directors) is of the view that the Conditional Grant is appropriate for the recognition of Mr. Wong's past performance and is able to incentivise Mr. Wong for his continued dedications and contributions to the Group in the future, and the Conditional Grant aligns his long-term interest with that of the Shareholders, and that the Conditional Grant and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Remuneration Committee and the Board had considered other means to reward and incentivise Mr. Wong, such as lump sum cash bonuses and remuneration increment. However, after careful consideration of the costs to be incurred by these alternatives and the potential benefits to be brought to the Group, the Board is of the view that the Conditional Grant would be the most appropriate means given that, as compared with the other alternatives, the Conditional Grant enables the Group to conserve its cash resources while serving the purposes to incentivise Mr. Wong. Further, assuming the Share Options are fully exercised, it will raise additional general working capital for the Group.

### **Listing Rules Implications**

Pursuant to the Rule 17.04(1) of the Listing Rules, any grant of options or awards to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, under the Share Option Scheme must be approved by the independent non-executive Directors. On 20 March 2023, the Conditional Grant had been approved by all the independent non-executive Directors. Mr. Wong had abstained from voting so far as the resolution for the approval of the grant of Share Options to him was concerned. Save as disclosed, none of the other Directors had any interest in the Share Options and therefore no other Directors abstained from voting on the relevant resolution of the Board in respect of the grant of Share Options.

Pursuant to Rule 17.04(3) of the Listing Rules, where any grant of Share Options to a substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Share Options granted to a substantial Shareholder in any 12-month period up to and including the date of grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such grant must be approved by the independent shareholders in general meeting, whereby such grantee and his/her associates and all core connected persons of the Company must abstain voting in favour of the relevant resolution at such general meeting.

As the total number of Shares to be issued upon exercise of the Share Options proposed to be granted to Mr. Wong would, in a 12-month period up to and including the date of such grant, represent over 0.1% of the Shares in issue, the Conditional Grant of Share Options carrying the rights to subscribe for 23,856,680 new Shares to Mr. Wong is subject to the approval by the independent shareholders at the EGM, where Mr. Wong, his associates and all core connected persons of the Company shall abstain from voting in favour of the relevant resolution at the EGM pursuant to the Listing Rules.

### **3. UPDATE ON THE SCHEME OF ARRANGEMENT**

References are made to the announcements of the Company dated 3 August 2022, 14 October 2022, 11 November 2022 and 17 February 2023 in relation to, among others, the Scheme.

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## LETTER FROM THE BOARD

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The Company wishes to inform its shareholders, its creditors, and potential investors of the Company that the Initial Cash Payment was received by the SchemeCo on 21 February 2023, and the Scheme has become effective on 21 February 2023 accordingly.

As disclosed in the announcement of the Company dated 3 August 2022, under the terms of the Scheme, the Scheme Creditors will be entitled to settlement of their respective Admitted Claims by selecting either the Equity Option or the Cash Option (but not both) in accordance with the terms of the Scheme. The total amount of Admitted Claims subject to the Scheme is approximately HK\$178 million.

As disclosed in the announcement of the Company dated 17 February 2023, the Company received notices of assignment from certain Scheme Creditors in relation to their respective assignment of their respective Admitted Claims to Mr. Wong pursuant to the Deeds of Assignment. Pursuant to the Deeds of Assignment, among others, it was agreed that the relevant Scheme Creditors shall transfer their respective Admitted Claims, and all the interests, rights and benefits therein including the right to select the Equity Option or the Cash Option, to Mr. Wong.

On 13 April 2023, the Company was notified that each of (i) Mr. Wong (as an assigned debtor); (ii) Mr. Lam (as one of the Scheme Creditors); and (iii) Dragon Founder (as one of the Scheme Creditors) has selected the Equity Option, i.e. approximately HK\$104 million out of HK\$178 million of the total Admitted Claims under the Scheme, representing approximately 58.4% of the total Admitted Claims under the Scheme, will be converted into equity of the Company.

All of the remaining Scheme Creditors have selected the Cash Option under the Scheme and their settlement will be made in accordance with the terms of the Scheme.

#### **4. ISSUE OF SETTLEMENT SHARES TO MR. WONG**

In order to execute the Equity Option selected by Mr. Wong, on 14 April 2023, the Company and Mr. Wong entered into the Mr. Wong's Settlement Agreement, pursuant to which the Company shall allot and issue a total of 605,255,597 Shares to Mr. Wong (or his nominee) at the issue price of HK\$0.143 per Share.

Mr. Wong is the chairman, chief executive officer and executive Director of the Company, who is a connected person of the Company.

The 605,255,597 Shares represent (i) approximately 25.4% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 19.4% of the issued share capital of the Company as enlarged by the allotment and issue of the Settlement Shares.



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## LETTER FROM THE BOARD

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### 5. ISSUE OF SETTLEMENT SHARES TO MR. LAM

In order to execute the Equity Option selected by Mr. Lam, on 14 April 2023, the Company and Mr. Lam entered into the Mr. Lam's Settlement Agreement, pursuant to which the Company shall allot and issue a total of 110,235,985 Shares to Mr. Lam (or his nominee) at the issue price of HK\$0.143 per Share.

Mr. Lam was a Director in the last 12 months who resigned as a non-executive Director on 31 August 2022, who is a connected person of the Company.

The 110,235,985 Shares represent (i) approximately 4.6% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 3.5% of the issued share capital of the Company as enlarged by the allotment and issue of issue of the Settlement Shares.

### 6. ISSUE OF SETTLEMENT SHARES TO DRAGON FOUNDER

In order to execute the Equity Option selected by Dragon Founder, on 14 April 2023, the Company and Dragon Founder entered into the Dragon Founder's Settlement Agreement, pursuant to which the Company shall allot and issue a total of 14,569,650 Shares to Dragon Founder at the issue price of HK\$0.143 per Share.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Dragon Founder and its ultimate beneficial owner, Mr. Tong Tze Tung Gordon, are Independent Third Parties.

The 14,569,650 Shares represent (i) approximately 0.6% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 0.5% of the issued share capital of the Company as enlarged by the allotment and issue of issue of the Settlement Shares.

### 7. ISSUE PRICE

Under the terms of the Scheme, the Company shall allot, issue and register such number of new Shares, credited as fully paid, at a premium of 25% over the average closing price of the shares of the Company as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date for the total amount of Admitted Claims of the Scheme Creditors who opt for the Equity Option as at the Effective Date.

Accordingly, as stipulated under the Scheme, the issue price of HK\$0.143 per Settlement Share represents a premium of 25% over the average closing price of approximately HK\$0.114 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date. The issue price also represents a discount of approximately 63.3% of the closing price of HK\$0.39 per share as quoted on the Stock Exchange on the Latest Practicable Date.

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## LETTER FROM THE BOARD

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The issue price was fixed in accordance with the terms of the Scheme. The Scheme was sanctioned by the High Court of Hong Kong on 11 November 2022 where the Company has a legal obligation to proceed with the Scheme according to the terms of the Scheme. The Company does not have discretion to adjust the issue price even if it represents a discount of the closing price of the Shares on the Latest Practicable Date. Moreover, even though the issue price represents a discount of the closing price of the Shares on the Latest Practicable Date, the issue of the Settlement Shares will convert debt of approximately HK\$104 million to equity. Such conversion will (i) significantly alleviate the repayment pressure of the Company under the Scheme; (ii) enable the Group to retain cash flow for its future business development; (iii) strengthen the financial position of the Group; and (iv) lower the gearing ratio of the Group, which will be greatly beneficial to the Company and its shareholders as a whole. In view of the above, the Directors are of the view that the issue of the Settlement Shares at the issue price stipulated under the Scheme is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### 8. CONDITIONS PRECEDENT

Completion of the allotment and issue of the Settlement Shares is conditional upon:

- (a) the passing of the resolution(s) at the EGM to approve the allotment and issue of the Settlement Shares and the transactions contemplated thereunder (including the granting of the Specific Mandates); and
- (b) the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in the Settlement Shares to be allotted and issued (and such listing and permission not being subsequently revoked prior to completion).

### 9. COMPLETION

Completion of the allotment and issue of the Settlement Shares shall take place on or before the 5th Business Day after the date on which all the conditions precedent set out above have been satisfied (or any other day as the parties may agree). In the event that the conditions precedent are not satisfied by 31st July 2023, each of the Mr. Wong's Settlement Agreement, Mr. Lam's Settlement Agreement and Dragon Founder's Settlement Agreement shall be terminated forthwith.

### 10. RANKING

The Settlement Shares to be allotted and issued will rank *pari passu* in all aspects with, and having the same rights in all aspects with the other Shares in issue on the date of allotment.

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## LETTER FROM THE BOARD

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### 11. SPECIFIC MANDATES

The Settlement Shares shall be allotted and issued pursuant to the Specific Mandates to be obtained at the EGM.

### 12. APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Settlement Shares.

### 13. IMPLICATIONS UNDER THE LISTING RULES

Mr. Wong is the chairman, chief executive officer and executive Director of the Company. Mr. Lam was a Director in the last 12 months who resigned as a non-executive Director on 31 August 2022. Therefore, each of Mr. Wong and Mr. Lam is a connected person of the Company. Accordingly, the allotment and issue of Shares to Mr. Wong and Mr. Lam constitute connected transactions for the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting and the Independent Shareholders' approval requirements.

### 14. INFORMATION OF THE GROUP, MR. WONG, MR. LAM AND DRAGON FOUNDER

The Company is an investment holding company. The Group is principally engaged in the provision of leasing services of energy saving systems, consultancy service, and trading of energy saving products.

Mr. Wong is the chairman, chief executive officer and executive Director of the Company, who is a connected person of the Company.

Mr. Lam was a Director in the last 12 months who resigned as a non-executive Director on 31 August 2022, who is a connected person of the Company.

Dragon Founder Limited is an investment holding company incorporated in Hong Kong with limited liability. As at the Latest Practicable date, Dragon Founder Limited is wholly-owned by Mr. Tong Tze Tung Gordon, who is an Independent Third Party.

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## LETTER FROM THE BOARD

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### 15. REASONS FOR AND BENEFITS OF THE ALLOTMENT AND ISSUE OF SHARES

References are made to the announcements of the Company dated 3 August 2022, 14 October 2022, 11 November 2022 and 17 February 2023 in relation to, among others, the Scheme.

The Company has an obligation under the Scheme to allot and issue the Settlement Shares in order to execute the Equity Option selected by each of Mr. Wong, Mr. Lam and Dragon Founder. Approximately HK\$104 million out of HK\$178 million of the total Admitted Claims under the Scheme, representing approximately 58.4% of the total Admitted Claims under the Scheme, will be converted into equity of the Company. Such conversion will (i) significantly alleviate the repayment pressure of the Company under the Scheme; (ii) enable the Group to retain cash flow for its future business development; (iii) strengthen the financial position of the Group; and (iv) lower the gearing ratio of the Group, which will be greatly beneficial to the Company and its shareholders as a whole.

In the event that the allotment and issue of Shares to Mr. Wong, Mr. Lam and Dragon Founder (as the case may be) is not approved at the EGM, Mr. Wong, Mr. Lam and Dragon Founder (as the case may be) will be required to execute the Cash Option instead and the respective debt owed to them will not be converted to equity. If all of Mr. Wong, Mr. Lam and Dragon Founder are required to execute the Cash Option, all of the Admitted Claims under the Scheme, amounting to approximately HK\$178 million, will remain as debt of the Company and will be settled in accordance with the terms of the Scheme.

The Directors (excluding Mr. Wong who has abstained from voting on the allotment and issues of Shares to him due to his material interest thereof) consider that the terms of the allotment and issue of the Settlement Shares are fair and reasonable, and in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### 16. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the Latest Practicable Date and upon completion of the allotment and issue of the Settlement Shares (assuming there is no change in the issued share capital of the Company other than the issue of the Settlement Shares) are as follows:

Name of Shareholder	As at the Latest Practicable Date		Immediately upon completion of allotment and issue of the Settlement Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Abundance Development Limited (Note 1)	1,240,547,360	52.000	1,240,547,360	39.816
Mr. Wong	18,477,844	0.775	623,733,441	20.019
Mpplication Group Limited (Note 2)	10,080,000	0.423	10,080,000	0.324
Mr. Lam	24,100,000	1.010	134,335,985	4.312
Mr. Tsang Sze Wai Claudius (Note 3)	18,000,000	0.755	18,000,000	0.577
Dragon Founder	–	–	14,569,650	0.468
Mr. Cheung Yick Hung Jackie (Note 4)	118,000	0.005	118,000	0.004
Mr. Chung Koon Yan (Note 5)	18,000	0.001	18,000	0.001
Mr. Wong Chi Ying Anthony (Note 6)	18,000	0.001	18,000	0.001
Other public Shareholders	<u>1,074,308,796</u>	<u>45.032</u>	<u>1,074,308,796</u>	<u>34.480</u>
Total	<u>2,385,668,000</u>	<u>100.000</u>	<u>3,115,729,230</u>	<u>100.000</u>

*Notes:*

- (1) Abundance Development Limited is a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Wong.
- (2) Mpplication Group Limited is a company incorporated in Hong Kong with limited liability, which is wholly and beneficially owned by Mr. Wong.
- (3) Mr. Tsang Sze Wai Claudius is a non-executive Director.
- (4) Mr. Cheung Yick Hung Jackie is an independent non-executive Director.
- (5) Mr. Chung Koon Yan is an independent non-executive Director.
- (6) Mr. Wong Chi Ying Anthony is an independent non-executive Director.

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## LETTER FROM THE BOARD

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### 17. THE EGM AND PROXY ARRANGEMENT

The EGM will be held at 2/F, J Plus, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Thursday, 15 June 2023 at 10:30 a.m., during which ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, to approve (i) the Conditional Grant of the Share Options to Mr. Wong; and (ii) the allotment and issue of the Settlement Shares by way of poll, the results of which will be announced after the EGM.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll (except where the chairman of the general meeting, 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). Accordingly, at the EGM, the votes on the resolutions set out in the notice of the EGM will be taken by poll. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

The notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM (and any adjournment thereof) is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.unitygroup.eco>). Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deliver with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event no later than 10:30 a.m. (Hong Kong time) on Tuesday, 13 June 2023 (or if the EGM is adjourned, not less than 48 hours before the time appointed for holding of the adjourned EGM). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

#### **Conditional Grant of Share Options**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, with regard to the Conditional Grant of Share Options to Mr. Wong, Mr. Wong, his associates and all core connected persons of the Company (please see the table below for details), holding approximately 53.96% of the total issued share capital of the Company as at the Latest Practicable Date in aggregate (i.e. 1,287,259,204 Shares in aggregate), shall abstain from voting in favour of the resolution in relation to the Conditional Grant of Share Options to Mr. Wong at the EGM pursuant to the Listing Rules.

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## LETTER FROM THE BOARD

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Name	Identity	Number of Shares held	Approximate percentage of the total issued Shares
Mr. Wong	Grantee of the Conditional Grant	18,477,844	0.775%
Abundance Development Limited	A company wholly-owned by Mr. Wong (Mr. Wong's associate)	1,240,547,360	52.00%
Mpplication Group Limited	A company wholly-owned by Mr. Wong (Mr. Wong's associate)	10,080,000	0.423%
Mr. Tsang Sze Wai Claudius	Non-executive Director (core connected person of the Company)	18,000,000	0.755%
Mr. Cheung Yick Hung Jackie	Independent non-executive Director (core connected person of the Company)	118,000	0.005%
Mr. Chung Koon Yan	Independent non-executive Director (core connected person of the Company)	18,000	0.001%
Mr. Wong Chi Ying Anthony	Independent non-executive Director (core connected person of the Company)	18,000	0.001%

### Issue of Settlement Shares

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, with regard to the issue of shares to Mr. Wong, Mr. Wong and his associates (being Abundance Development Limited and Mpplication Group Limited), holding approximately 53.20% of the total issued share capital of the Company as at the Latest Practicable Date in aggregate (i.e. 1,269,105,204 Shares in aggregate), shall abstain from voting in favour of the resolution in relation to approving the Mr. Wong's Settlement Agreement at the EGM pursuant to the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, with regard to the issue of shares to Mr. Lam, Mr. Lam's associates does not hold any shares of the Company as at the Latest Practicable Date. Accordingly, Mr. Lam, holding approximately 1.01% of the total issued share capital of the Company as at the Latest Practicable Date (i.e. 24,100,000 Shares), shall abstain from voting in favour of the resolution in relation to approving the Mr. Lam's Settlement Agreement at the EGM pursuant to the Listing Rules.

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## LETTER FROM THE BOARD

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Save as disclosed, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder has a material interest in (i) the Conditional Grant of Share Options to Mr. Wong; and (ii) the issue of Settlement Shares, and will be required to abstain from voting on the relevant resolutions as set out in the notice of the EGM.

### **18. RECOMMENDATIONS**

An Independent Board Committee has been formed to advise the Independent Shareholders on the terms of the allotment and issue of Shares to Mr. Wong and Mr. Lam. Draco Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The independent non-executive Directors, after considering the advice of the Independent Financial Adviser, consider that the allotment and issue of Settlement Shares to Mr. Wong and Mr. Lam, although are not in the ordinary and usual course of business, are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the independent non-executive Directors recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the allotment and issue of Settlement Shares to Mr. Wong and Mr. Lam.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of (i) the Conditional Grant of Share Options to Mr. Wong; and (ii) the allotment and issue of Settlement Shares, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Shareholders to vote in favour of the relevant resolution(s) proposed at the EGM.

The Shareholders are reminded that the Mr. Wong's Settlement Agreement, the Mr. Lam's Settlement Agreement and the Dragon Founder's Settlement Agreement are not interconditional to each other. The Shareholders can therefore vote in separate resolution(s) to approve each of the Mr. Wong's Settlement Agreement, the Mr. Lam's Settlement Agreement and the Dragon Founder's Settlement Agreement.



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## LETTER FROM THE BOARD

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### 19. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 24 to 25 of this circular, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 26 to 44 of this circular and the information set out in the appendix of this circular

**Shareholders and potential investors should note that the allotment and issue of the Settlement Shares is subject to the satisfaction of certain conditions and accordingly, it may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

By order of the Board  
**Unity Group Holdings International Limited**  
**Wong Man Fai Mansfield**  
*Chairman, Chief Executive Officer and  
Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders prepared for the purpose of inclusion in this circular.*



### **Unity Group Holdings International Limited** **知行集團控股國際有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1539)**

23 May 2023

*To the Independent Shareholders*

Dear Sir and Madam,

#### **CONNECTED TRANSACTIONS IN RELATION TO ISSUE OF SETTLEMENT SHARES UNDER SPECIFIC MANDATES**

We refer to the circular of the Company to the Shareholders dated 23 May 2023 (the “**Circular**”), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the Independent Board Committee to advise you as to whether, in our opinion, the terms of the allotment and issue of Settlement Shares to Mr. Wong and Mr. Lam are fair and reasonable so far as the Independent Shareholders are concerned. Draco Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 26 to 44 of the Circular. Your attention is also drawn to the “Letter from the Board” of the Circular and the additional information set out in the appendix to the Circular.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered the terms of the allotment and issue of Settlement Shares to Mr. Wong and Mr. Lam, and the advice of the Independent Financial Adviser, we consider that the allotment and issue of Settlement Shares to Mr. Wong and Mr. Lam, although are not in the ordinary and usual course of business, are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the allotment and issue of Settlement Shares to Mr. Wong and Mr. Lam.

Yours faithfully,

For and on behalf of

The Independent Board Committee of  
**Unity Group Holdings International Limited**

**Mr. Chung Koon Yan**

*Independent non-  
executive Director*

**Mr. Cheung Yick**

**Hung Jackie**  
*Independent non-  
executive Director*

**Dr. Wong Chi Ying**

**Anthony**  
*Independent non-  
executive Director*

**Mr. Tang**

**Warren Louis**  
*Independent non-  
executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter from Draco Capital Limited setting out its advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



4/F Connaught Harbourfront House  
35-36 Connaught Road West,  
Sheung Wan, Hong Kong

23 May 2023

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

### CONNECTED TRANSACTIONS IN RELATION TO ISSUE OF SETTLEMENT SHARES UNDER SPECIFIC MANDATE

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the issue of Settlement Shares under Specific Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 23 May 2023 (the “**Circular**”) issued by the Company to its shareholders (the “**Shareholders**”), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

As set out in the Board Letter, on 13 April 2023, the Company was notified that each of (i) Mr. Wong (as an assigned debtor); (ii) Mr. Lam (as one of the Scheme Creditors); and (iii) Dragon Founder (as one of the Scheme Creditors) has selected the Equity Option, i.e. approximately HK\$104 million out of HK\$178 million of the total Admitted Claims under the Scheme, representing approximately 58.4% of the total Admitted Claims under the Scheme, will be converted into equity of the Company.

In order to execute the Equity Option selected by Mr. Wong, on 14 April 2023, the Company and Mr. Wong entered into the Mr. Wong’s Settlement Agreement, pursuant to which the Company shall allot and issue a total of 605,255,597 Shares to Mr. Wong or his nominee at the issue price of HK\$0.143 per share.

In order to execute the Equity Option selected by Mr. Lam, on 14 April 2023, the Company and Mr. Lam entered into the Mr. Lam’s Settlement Agreement, pursuant to which the Company shall allot and issue a total of 110,235,985 Shares to Mr. Lam or his nominee at the issue price of HK\$0.143 per share.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In order to execute the Equity Option selected by Dragon Founder, on 14 April 2023, the Company and Dragon Founder entered into the Dragon Founder's Settlement Agreement, pursuant to which the Company shall allot and issue a total of 14,569,650 Shares to Dragon Founder at the issue price of HK\$0.143 per share.

Mr. Wong is the chairman, chief executive officer and executive Director of the Company. Mr. Lam was a Director in the last 12 months who resigned as a non-executive Director on 31 August 2022. Therefore, each of Mr. Wong and Mr. Lam are connected persons of the Company. Accordingly, the allotment and issue of Shares to Mr. Wong and Mr. Lam constitute connected transactions for the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting and the Independent Shareholders' approval requirements.

Mr. Wong and Mr. Lam are considered to have material interest in relation to issue of Settlement Shares and had abstained from voting on the resolutions approving the allotment and issue of Shares to Mr. Wong and Mr. Lam.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chung Koon Yan, Mr. Cheung Yick Hung Jackie, Dr. Wong Chi Ying Anthony and Mr. Tang Warren Louis, has been established to give a recommendation to the Independent Shareholders as to whether the terms of the allotment and issue of Shares to Mr. Wong and Mr. Lam are on normal commercial terms or better and fair and reasonable, whether the allotment and issue of Shares to Mr. Wong and Mr. Lam is in the interests of the Company and its Shareholders as a whole and as how to vote at the EGM. We, Draco Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **OUR INDEPENDENCE**

We, Draco Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Draco Capital is a licensed corporation licensed under the Securities and Futures Ordinance to conduct type 6 (advising on corporate finance) regulated activities, and participated in and completed various independent financial advisory transactions.

As at the Latest Practicable Date, we confirmed that there is no relationship or interest between Draco Capital and the Company or any other parties that could be reasonably be regarded as hindrance to Draco Capital's independence as set out under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Shareholders in respect of the transactions.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We are not aware of the existence of or change in any circumstances that would affect our independence. During the past two years, we have been appointed as the independent financial adviser to the Company regarding (1) Connected Transaction – Issue of Subscription Shares to a Connected Person; (2) Connected Transaction – Issue of Conversion Shares to Connected Persons; (3) Issue of Settlement Shares; and (4) Application for Whitewash Waiver, of which the circular was dated 15 November 2021. The professional fees in connections with the above appointments have been fully settled and we are not aware of change in any circumstance that would affect our independence. Accordingly, we consider that we are eligible to give independent advice on Connected Transactions in relation to issue of Settlement Shares under Specific Mandate and the transactions contemplated thereunder.

### **BASIS OF OUR OPINION**

In formulating our opinions and advices, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the date of this letter. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the date of this letter and up to and including the date of the EGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no omission of other facts that would make any statements in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. In rendering our opinion in the Circular, we have researched, analyzed and relied on (i) information in relation to the Group, including but not limited to, the published financial reports of the Company for the six months ended 30 September 2022 and six months ended 30 September 2021 and for the two financial years ended 31 March 2022; (ii) information provided by the Company; (iii) the Announcement and the Circular; and (iv) market information obtained from the website of the Stock Exchange. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading. We consider that we have performed all reasonable steps as required under Rule 13.80 of the Listing Rules (including the notes thereto) to formulate our opinion and recommendation. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and the Management.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

#### **1. Information of the Group**

The Company is incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Stock Exchange (stock code: 1539). The principal activities of the Group are the (i) Provision of leasing service of energy saving systems, (ii) Trading of energy saving products; and (iii) Provision of consultancy service on leasing service of energy saving systems.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *For the six months ended 30 September 2022 and six months ended 30 September 2021*

Set out below is a summary of the unaudited consolidated financial information of the Group for the six months ended 30 September 2021 and 2022 as extracted from the interim reports of the Group for the six months ended 30 September 2021 and 2022 respectively:

	<b>For the six months ended</b>		
	<b>30 September</b>		
	<b>2022</b>	<b>2021</b>	<b>changes</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Revenue	5,582	38,848	(85.6)
– Trading of energy saving products	2,272	25,953	(91.2)
– Consultancy service income	–	9,185	(100.0)
– Leasing service income	3,310	3,710	(10.8)
Loss attributable to the Shareholders	(62,240)	(21,720)	1,865.6
	<b>As at 30 September</b>		
	<b>2022</b>	<b>2021</b>	<b>changes</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Total assets	355,733	416,263	(14.5)
Total liabilities	273,737	382,969	(28.5)
Net assets attributable to the Shareholders	81,996	33,294	146.3

The Group recorded revenue for the six months ended 30 September 2022 in the amount of approximately HK\$5.6 million, representing a decrease of approximately 85.6% as compared to that for the six months ended 30 September 2021 in the amount of approximately HK\$38.8 million. As advised by the Management, the decrease in revenue of approximately HK\$33.3 million was mainly due to (i) the decrease in revenue in the trading of energy saving products segment by approximately 91.2% as the certain clients (including our associated company) have substantially finished their deployment in their previous lighting works and as such temporarily reduced their purchase of lighting products from the Group; and (ii) the decrease in revenue in the consultancy service segment from HK\$9.2 million during the six months ended 30 September 2021 to nil for the six months ended 30 September 2022 as there were no relevant services contracts for the period.

The Group recorded a loss attributable to the Shareholders in the amount of approximately HK\$62.2 million, representing an increase of approximately 186.6% as compared to a loss attributable to the Shareholders for the six months ended 30 September 2021 in the amount of approximately HK\$21.7 million. As advised by the Management, the increase in loss was mainly due to the decrease in revenue as mentioned above and increase in provision for expected credit loss of financial assets amounted to HK\$26.4 million.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group's unaudited total assets as at 30 September 2022 amounted to approximately HK\$355.7 million, mainly including, trade receivables in the amount of approximately HK\$148.5 million, interests in associates and deferred tax assets in the amounts of approximately HK\$66.5 million and HK\$50.6 million, respectively. The Group's unaudited total liabilities as at 30 September 2022 amounted to approximately HK\$273.7 million, mainly including, accruals, other payables and deposits received in the amount of approximately HK\$148.3 million, notes payable in the amount of approximately HK\$55.0 million and trade payables in the amount of approximately HK\$30.0 million. The Group's unaudited net assets value attributable to the Shareholders amounted to approximately HK\$82.0 million as at 30 September 2022, representing an increase of approximately 146.28% as compared to that of approximately HK\$33.3 million as at 30 September 2021 mainly due to issue of shares amounted to HK\$110 million less of decrease of trade receivables of HK\$66.6 million as at 31 March 2022, as compared to the date of 31 March 2021.

### ***For the financial year ended 31 March 2022 and 31 March 2021***

Set out below is a summary of the consolidated financial information of the Group for the two financial years ended 31 March 2021 and 2022 respectively which were extracted from the annual reports of the Group for the financial years ended 31 March 2021 and 2022 respectively:

	<b>For the financial years ended</b>		
	<b>31 March</b>		
	2022	2021	changes
	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Revenue	80,434	53,784	49.6
– Trading of energy saving products	64,646	24,873	159.9
– Consultancy service income	9,185	19,085	(51.9)
– Leasing service income	6,603	9,826	(32.8)
Loss attributable to the Shareholders	(382,145)	(279,797)	36.6
	<b>As at 31 March</b>		
	2022	2021	changes
	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Total assets	417,811	404,890	3.2
Total liabilities	272,170	350,341	(22.3)
Net assets attributable to the Shareholders	145,641	54,549	167.0

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group recorded revenue for the year ended 31 March 2022 in the amount of approximately HK\$80.4 million, representing an increase of approximately 49.6% as compared to that for the year ended 31 March 2021 in the amount of approximately HK\$53.8 million. As advised by the Management, the increase in revenue of approximately HK\$26.7 million was mainly due to the mixed effect of the (i) increase in revenue in the trading of energy saving products segment from approximately HK\$24.9 million for the year ended 31 March 2021 to approximately HK\$64.6 million for the year ended 31 March 2022 as a result of increase in demand from customer and catch up from previous delays in delivery of products when the customers and the distributors were adversely affected by the epidemic; and (ii) decrease in consultancy service income from HK\$19.1 million for the year ended 31 March 2021 to HK\$9.2 million for the year ended 31 March 2022 due to the decrease in the number of consultancy projects.

The Group recorded a loss attributable to the Shareholders in the amount of approximately HK\$382.1 million, representing an increase of approximately 36.6% as compared to a loss attributable to the Shareholders for the year ended 31 March 2021 in the amount of approximately HK\$279.8 million. As advised by the Management, the increase in loss was mainly due to the one-off effect on loss on derecognition of financial liabilities during the year, amounted to HK\$303.5 million.

The Group's total assets as at 31 March 2022 amounted to approximately HK\$417.8 million, mainly including, trade receivables in the amount of approximately HK\$202.6 million, interests in associates and deferred tax assets in the amounts of approximately HK\$65.8 million and HK\$43.4 million, respectively. The Group's total liabilities as at 31 March 2022 amounted to approximately HK\$272.2 million, mainly including, accruals, other payables and deposits received in the amount of approximately HK\$122.7 million, notes payable in the amount of approximately HK\$55.0 million, borrowings in the amount of approximately HK\$32.0 million and trade payables of approximately HK\$31.6 million. The Group's net assets value attributable to the Shareholders amounted to approximately HK\$145.6 million as at 31 March 2022, representing an increase of approximately 167.0% as compared to that of approximately HK\$54.5 million as at 31 March 2021 mainly due to decrease of borrowings and notes payable by HK\$49.4 million and HK\$21.6 million, respectively, as at 31 March 2022, as compared to the date of 31 March 2021.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Principal terms of the Settlement Agreements of Mr. Wong and Mr. Lam

The principal terms of the Settlement Agreements of Mr. Wong and Mr. Lam are as follows:

#### ***Issue of Settlement Shares to Mr. Wong and Mr. Lam***

On 14 April 2023, the Company and Mr. Wong entered into the Mr. Wong's Settlement Agreement, pursuant to which the Company shall allot and issue a total of 605,255,597 Shares to Mr. Wong or his nominee at the issue price of HK\$0.143 per Share.

On 14 April 2023, the Company and Mr. Lam entered into the Mr. Lam's Settlement Agreement, pursuant to which the Company shall allot and issue a total of 110,235,985 Shares to Mr. Lam or his nominee at the issue price of HK\$0.143 per Share.

#### ***Issue price***

Under the terms of the Scheme, the Company shall allot, issue and register such number of new Shares, credited as fully paid, at a premium of 25% over the average closing price of the shares of the Company as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date for the total amount of Admitted Claims of the Scheme Creditors who opt for the Equity Option as at the Effective Date.

Accordingly, as stipulated under the Scheme, the issue price of HK\$0.143 per Settlement Share represents a premium of 25% over the average closing price of approximately HK\$0.114 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date.

#### ***Conditions precedent***

Completion of the allotment and issue of the Settlement Shares is conditional upon:

- (i) the passing of the resolution(s) at the EGM to approve the allotment and issue of the Settlement Shares and the transactions contemplated thereunder (including the granting of the Specific Mandate); and
- (ii) the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in the Settlement Shares to be allotted and issued (and such listing and permission not being subsequently revoked prior to completion).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***Completion***

Completion of the allotment and issue of the Settlement Shares shall take place on or before the 5th Business Day after the date on which all the conditions precedent set out above have been satisfied (or any other day as the parties may agree). In the event that the conditions precedent are not satisfied by 31st July 2023, each of the Settlement Agreements shall be terminated forthwith.

### ***Ranking***

The Settlement Shares to be allotted and issued will rank *pari passu* in all aspects with, and having the same rights in all aspects with the other Shares in issue on the date of allotment.

### ***Number of Settlement Shares to Mr. Wong or his nominee and Mr. Lam or his nominee***

The Settlement Shares to Mr. Wong or his nominee and Mr. Lam or his nominee represent (i) approximately 25.37% and 4.62% of the total number of issued Shares as at the Latest Practicable Date respectively; and (ii) approximately 19.43% and 3.54% of the total number of issued Shares as enlarged by the allotment and issue of the Settlement Shares respectively, assuming that there will be no changes in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Settlement Shares. The aggregate nominal value of the Settlement Shares to Mr. Wong or his nominee and Mr. Lam or his nominee is HK\$7,154,915.82 and the market value of the Settlement Shares to Mr. Wong or his nominee and Mr. Lam or his nominee is HK\$93,729,397.24, based on the closing price of HK\$0.131 per Share on the date of the Settlement Agreements.

The Settlement Shares will be allotted and issued under the Specific Mandate.

### ***Issue price***

The issue price is HK\$0.143 per Settlement Share, and the aggregate issue price of all the Settlement Shares, the issue price represents:

- (i) a premium of approximately 9.2% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on 14 April 2023, the date of the Settlement Agreements;
- (ii) a premium of approximately 15.3% to the average closing price of HK\$0.124 per Share as quoted on the Stock Exchange for the last five trading days up to and including the date of the Settlement Agreements;
- (iii) a discount of approximately 63.3% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iv) a premium of approximately 257.5% over the unaudited consolidated equity attributable to the Shareholders per Share of approximately HK\$0.040 as at 30 September 2022, calculated by dividing the Group's unaudited equity attributable to the Shareholders of approximately HK\$94.5 million as at 30 September 2022 by 2,385,668,000 Shares in issue as at the Latest Practicable Date.

The net issue price (after deduction of all professional fees and related expenses), is estimated to be approximately HK\$0.143 per Settlement Share.

The issue price was fixed in accordance with the terms of the Scheme. The Scheme was sanctioned by the High Court of Hong Kong on 11 November 2022 where the Company has a legal obligation to proceed with the Scheme according to the terms of the Scheme. The Company does not have discretion to adjust the issue price even if it represents a discount of the closing price of the Shares on the Latest Practicable Date. Moreover, even though the issue price represents a discount of the closing price of the Shares on the Latest Practicable Date, the issue of the Settlement Shares will convert debt of approximately HK\$104 million to equity. Such conversion will (i) significantly alleviate the repayment pressure of the Company under the Scheme; (ii) enable the Group to retain cash flow for its future business development; (iii) strengthen the financial position of the Group; and (iv) lower the gearing ratio of the Group, which will be greatly beneficial to the Company and its shareholders as a whole. In view of the above, we are of the view that the issue of the Settlement Shares at the issue price stipulated under the Scheme is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### 3. Information of the Mr. Wong, Mr. Lam and Equity Option of the Scheme

#### ***Mr. Wong***

Mr. Wong is the chairman, chief executive officer and executive Director of the Company.

#### ***Mr. Lam***

Mr. Lam was a Director in the last 12 months who resigned as a non-executive Director on 31 August 2022.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *The Scheme*

With reference to the announcement on 3 August 2022, under the terms of the Scheme, the Scheme Creditors will be entitled to settlement of their respective Admitted Claims by selecting either the Equity Option or the Cash Option (but not both) in accordance with the terms of the Scheme. For the Equity Option, the Company will allot, issue and register such number of New Shares, credited as fully paid, at a premium of 25% over the average closing price of the shares of the Company as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date for the total amount of Admitted Claims of the Scheme Creditors who opt for the Equity Option as at the Effective Date. With reference to announcement dated 11 November 2022, the Scheme of Arrangement was sanctioned by the High Court on 11 November 2022.

Accordingly, as stipulated under the Scheme, the issue price of HK\$0.143 per Settlement Share represents a premium of 25% over the average closing price of approximately HK\$0.114 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date.

#### **4. Reasons for and benefits of the Settlement Agreements**

References are made to the announcements of the Company dated 3 August 2022, 14 October 2022, 11 November 2022 and 17 February 2023 in relation to, among others, the Scheme.

The Company has an obligation under the Scheme to allot and issue the Settlement Shares in order to execute the Equity Option selected by each of Mr. Wong, Mr. Lam and Dragon Founder. Approximately HK\$104 million out of HK\$178 million of the total Admitted Claims under the Scheme, representing approximately 58.4% of the total Admitted Claims under the Scheme, will be converted into equity of the Company. Such conversion will (i) significantly alleviate the repayment pressure of the Company under the Scheme; (ii) enable the Group to retain cash flow for its future business development; (iii) strengthen the financial position of the Group; and (iv) lower the gearing ratio of the Group, which will be greatly beneficial to the Company and its shareholders as a whole.

The Directors (excluding: (i) the independent non-executive Directors whose opinions will be provided after taking into consideration the advice from the Independent Financial Adviser; and (ii) Mr. Wong who has abstained from voting on the allotment and issues of Shares to him) consider that the terms of the allotment and issue of the Settlement Shares are fair and reasonable, and in the best interests of the Company and the Shareholders as a whole.

We also noted the Group recorded net losses over the recent years, and as at 30 September 2022, the Group's cash and cash equivalents in the amount of approximately HK\$18.8 million which had been reducing from approximately HK\$26.3 million as at 31 March 2021.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Having considered that (i) the Company has been focused on developing and exploring potential business opportunities; (ii) the Company expects to maintain its existing cash position to develop its existing projects and new projects; (iii) in the absence of the Settlement Agreements, the Group's cash level will be further reduced, which may interfere the Group's expansion and development; and (iv) the liabilities and the interest accrued will be waived upon completion of the Settlement Agreements, which represents a better deal for the Company as compared to the original repayment arrangement where the interest accrued thereunder is not waived, we concur with the Directors' view that the Settlement Agreements can ease the repayment pressure of the Group without imposing any substantial cash outflow, thereby putting the Group in a better cash position to develop its business and identify suitable investment or growth opportunities with the view to generate positive cash flow and further strengthen its financial position in the longer run. In the case if the resolution of issuing Settlement Shares being voted down, the Group may not in a better cash position to develop its business and identify suitable investment or growth opportunities.

### ***Alternative fund-raising methods considered***

Based on the communication with the Management, the Company has considered other financing alternatives including (i) debt financing and (ii) rights issue and open offer. The Company decided to enter into the settlement due to the reasons as stated below.

#### *(i) Debt financing*

As discussed with the Directors, we understood that the Board has considered additional debt financing from banks or financial institutions, but given the loss position of the Company for the recent years, there would be potential additional interest burden for the Company and would need assets pledge for debt financing. Moreover, we noted that the Directors considered that the debt financing, taking into account the interest payable, would potentially increase the Company's finance cost in the long run, adding to the Company's gearing ratio. As stated in the Board Letter, the Group has been in discussion with local banks for loan and credit facilities to support its working capital needs but they are not yet finalised. Furthermore, based on our discussions with the Directors, we understood and agreed that further debt financing would only alleviate the Company's repayment pressure in a short-term. Accordingly, having considered the Company's financial position and maintaining a lower gearing ratio facilitates the Group to accomplish its future business operation, we concur with the Directors' view that debt financing and its respective finance cost would generally be undesirable in the long-run, especially under the current rising interest rate environment.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(ii) Rights issue and open offer*

As discussed with the Directors, we understood the option of rights issue and open offer had also been considered in the form of other fund-raising alternatives. We understood that rights issue or open offer of new Shares may also be subject to uncertainty and market risks. Also, as compared to the Settlement Agreements, such equity financing solutions may potentially incur higher transaction and document preparation costs as more professional parties and relevant corresponding documents are required and involved and would normally require a commission fee (subject to negotiations). Although the existing Shareholders would be able to maintain their prorata shareholding in the Company, rights issue or open offer would need a relatively longer timeframe to complete in comparison to the Settlement Shares under Settlement Agreements, as they not only the preparation and despatch of relevant documents to Shareholders that may take one to two months in general but also commercial negotiations with securities house(s) that the time required is uncertain. In the course of preparing the relevant documents for rights issue/open offer, parties involved include professional advisers, underwriters, share registrar and thus more expenses, such as commission, documentation and other professional fees, would be incurred.

*(iii) Other alternatives*

In respect of the possibility of the extending the maturity of the liabilities, we are in the view that as (i) such extension would only alleviate the Company's repayment pressure in a short-term; and (ii) the liabilities with extended maturity would continue to incur interest expenses to the Group as opposed to the interest waiver under the arrangement of the Settlement Shares, it is not beneficiary to the Company and the Shareholders as compared to the Settlement Agreements.

Having considered (i) the Group is optimistic of the expansion and development of its business; (ii) the Settlement Agreements will allow the Company to settle the outstanding amounts without imposing any substantial cash outflow so as to maintain the cash position of the Company for further development to generate more income; (iii) the Settlement Shares is an appropriate financing option for the Group as compared with other financing alternatives; and (iv) the terms of the Settlement Agreements are generally better off with recent market practice as discussed in the subsection headed "Market comparable analysis" below, we are of the view that the Settlement Agreement is a suitable and viable option to settle the liabilities in the long-run and in turn, would be in the interests of the Company and the Shareholders as a whole.

As compared to the above fund-raising methods, the Management considers that the Settlement Agreements would be a better alternative available to the Group to improve the Group's net debt ratio and financial position upon completion.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 5. Evaluation of the issue price

In order to further assess the fairness and reasonableness of terms of the Settlement Agreements, we have considered the following factors:

#### *The issue price*

With reference to the announcement on 3 August 2022, under the terms of the Scheme, the Scheme Creditors will be entitled to settlement of their respective Admitted Claims by selecting either the Equity Option or the Cash Option (but not both) in accordance with the terms of the Scheme. For the Equity Option, the Company will allot, issue and register such number of New Shares, credited as fully paid, at a premium of 25% over the average closing price of the shares of the Company as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date for the total amount of Admitted Claims of the Scheme Creditors who opt for the Equity Option as at the Effective Date. With reference to announcement dated 11 November 2022, the Scheme of Arrangement was sanctioned by the High Court on 11 November 2022.

Accordingly, as stipulated under the Scheme, the issue price of HK\$0.143 per Settlement Share represents a premium of 25% over the average closing price of approximately HK\$0.114 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Effective Date.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Market comparable analysis*

To further assess the fairness and reasonableness of the issue price, we have conducted independent research, using our best endeavours, of recent debt/loan capitalisation involving issuance of shares to both connected persons and independent third parties under both specific mandate and general mandate initially announced by companies listed on the Stock Exchange (the “**Comparables**”). The selection criteria of the Comparables were based on the followings: (i) the debt/loan capitalisation or settlement transactions conducted during the period from 14 April 2021 to 14 April 2023, covering two years prior to the date of the Settlement Agreements; (ii) companies listed on the Stock Exchange; (iii) companies not subject to prolonged suspension of trading over three months; and (iv) the issue prices of such transactions have excluded one single outlier of such transactions (China Resources And Transportation Group Limited with announcement date on 1 December 2021) because the premium of the issue price of such transaction of the outlier is approximately 38 times (1,439% premium) and 36.7 times (1,349% premium) higher than the maximum premium of issue price of all other transactions in comparison (i) relative to their respective market closing price of the announcement date and (ii) relative to their last five consecutive average closing price of the announcement date, respectively. Based on our best endeavour and as far as we are aware and consider exhaustive, we have identified a total of 14 Comparables, which met the said criteria, to provide a general reference for and to compare with the market practices in relation to the debt/loan capitalisation or settlement transactions. We use the date of corresponding agreements as a benchmark for comparison since this is the day of the latest market information available to the signing parties of the agreements.

To the best of our knowledge, effort and endeavour and based on our search conducted according to the aforesaid criteria, the Comparables are an exhaustive list of issues of share(s) meeting the aforesaid criteria. Shareholders should note that the size, business nature, scale of operations and prospects of the Company are not exactly the same as the Comparables and we have not conducted any in-depth investigation into the size, business nature, scale of operations and prospects of the Comparables. Nevertheless, given that this analysis is aiming at taking a general reference to the market practice in relation to similar type of transactions, we consider that our comparable analysis on the terms of the Settlement Agreements without limiting to companies that are with similar size, business nature and scale of operations as that of the Group is fair and reasonable and useful for the Independent Shareholders’ reference.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We set out our findings in the table below:

No.	Date of announcement	Company name (Stock Code)	Premium/(Discount) of subscription price to/ over the closing price on the date of corresponding agreement <i>Approximately (%)</i>	Premium/(Discount) of subscription price to/ over the average closing price per share for the last five consecutive trading days up to and including the date of the corresponding agreement <i>Approximately (%)</i>
1.	9/5/2023	SuperRobotics Holdings Limited	4.35	0.22
2.	27/3/2023	Pan Asia Data Holdings Inc.	37.90	36.80
3.	21/3/2023	Golden Ponder Holdings Limited (1783)	(14.89)	(17.86)
4.	20/1/2023	Da Sen Holdings Group Limited (1580)	(11.76)	(12.54)
5.	18/1/2023	Gome Retail Holdings Limited (493)	(7.26)	(7.85)
6.	2/1/2023	Gome Retail Holdings Limited (493)	(7.00)	(18.16)
7.	29/8/2022	Echo International Holdings Group Limited (8218)	(3.23)	(4.58)
8.	22/8/2022	China Environmental Technology and Bioenergy Holdings Limited (1237)	(2.78)	0.00
9.	25/3/2022	Echo International Holdings Group Limited (8218)	0.00	(1.07)
10.	23/2/2022	CA Cultural Technology Group Limited	(1.16)	1.80
11.	30/12/2021	Cornerstone Technologies Holdings Limited (8391)	(24.40)	(22.10)
12.	29/12/2021	CA Cultural Technology Group Limited (1566)	(19.00)	(14.01)
13.	10/9/2021	Crown International Corporation Limited (727)	(9.84)	(14.73)
14.	7/6/2021	China First Capital Group Limited (1269)	(13.46)	(15.73)
		<b>Maximum premium</b>	37.9	36.8
		<b>Maximum discount</b>	(24.4)	(22.1)
		<b>Average discount</b>	(5.04)	(7.05)
		The Company	9.16 <i>(Note)</i>	15.14 <i>(Note)</i>

*Source: the Stock Exchange*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Note:*

Based on the above table, we noted that:

- (i) the premiums/(discounts) of the issue prices to the closing price per share on the date of the corresponding agreement of the Comparables ranged from (24.4)% to approximately 37.9%, with an average of approximately (5.04)%. The premium of the issue price to the closing price per Share on the date of the Settlement Agreements of approximately 9.16% is better off than the Comparables; and
- (ii) the premiums/(discounts) of the issue prices to the average closing price per share for the last five consecutive trading days up to and including the date of the corresponding agreement of the Comparables ranged from (22.1)% to approximately 36.8%, with an average of approximately (7.05)%. The premium of the issue price to the average closing price per Share for the five consecutive trading days up to and including to the date of the Settlement Agreements of approximately 15.14% is better off than the Comparables.

In light of the results of the Comparables as set out above, we have further confirmed our view that the issue price is fair and reasonable so far as the Independent Shareholders are concerned, and that the terms of the Settlement Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

### 6. Potential effects on shareholding structure

As at the Latest Practicable Date, the Company had a total of 2,385,668,000 Shares in issue. Set out below is the shareholding structure of the Company: (i) as at the Latest Practicable Date; and (ii) immediately after completion of allotment and issue of the Settlement Share, assuming that there are no changes in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Settlement Shares:

Name of Shareholder	Immediately before completion of allotment and issue of the Settlement Shares		Immediately upon completion of allotment and issue of the Settlement Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Abundance Development Limited (Note 1)	1,240,547,360	52.000	1,240,547,360	39.816
Mr. Wong	18,477,844	0.775	623,733,441	20.019
Mpplication Group Limited (Note 2)	10,080,000	0.423	10,080,000	0.324
Mr. Lam	24,100,000	1.010	134,335,985	4.312
Mr. Tsang Sze Wai Claudius (Note 3)	18,000,000	0.755	18,000,000	0.577
Dragon Founder	–	–	14,569,650	0.468
Mr. Cheung Yick Hung Jackie (Note 4)	118,000	0.005	118,000	0.004
Mr. Chung Koon Yan (Note 5)	18,000	0.001	18,000	0.001
Mr. Wong Chi Ying Anthony (Note 6)	18,000	0.001	18,000	0.001
Other public Shareholders	<u>1,074,308,796</u>	<u>45.032</u>	<u>1,074,308,796</u>	<u>34.480</u>
Total	<u>2,385,668,000</u>	<u>100.000</u>	<u>3,115,729,232</u>	<u>100.000</u>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Notes:*

- (1) Abundance Development Limited is a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Wong.
- (2) Mpplication Group Limited is a company incorporated in Hong Kong with limited liability, which is wholly and beneficially owned by Mr. Wong.
- (3) Mr. Tsang Sze Wai Claudius is a non-executive Director.
- (4) Mr. Cheung Yick Hung Jackie is an independent non-executive Director.
- (5) Mr. Chung Koon Yan is an independent non-executive Director.
- (6) Mr. Wong Chi Ying Anthony is an independent non-executive Director.

As shown in the above table, we noted that the shareholding in the Company held by the public Shareholders would be diluted from approximately 45.032% as at the Latest Practicable Date to approximately 34.48% immediately after the completion of the Settlement Agreements. We are aware of the Settlement Agreements will incur a dilution effect on the shareholding of the exiting public Shareholders. Nonetheless, having considered that (i) the Settlement Agreements can relieve part of the Group's existing indebtedness without depleting its existing financial resources; (ii) the existing financial resources of the Group may be applied to the development of the businesses and projects of the Group to generate more revenue and profit; (iii) the result of the Settlement Agreements can improve the financial position of the Group; (iv) the terms of the Settlement Agreement being fair and reasonable so far as the Independent Shareholders are concerned; and (v) the issue price of Settlement Shares is at a premium to closing price as at the date of Settlement Agreement on 14 April 2023, we are of the view that the potential dilution effect on the shareholding interests of the public Shareholders to be acceptable.

### **7. Financial effects of the Settlement Agreements**

Upon the completion of the Settlement Agreements, the Settlement Shares will be recognised entirely as equity of the Company which in turn will enlarge the capital base and enhance the net asset position of the Company.

**(i) Effects on net assets**

It is expected that upon completion of the Settlement Agreements of Mr. Wong and Mr. Lam, the outstanding amount of approximately HK\$102.3 million will be set off by the issuance of the Settlement Shares to Mr. Wong and Mr. Lam, hence the liabilities of the Group will be reduced by approximately HK\$102.3 million and the financial position of the Group will be considerably enhanced.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(ii) Effects on liquidity and working capital*

It is expected that upon completion of the Settlement Agreements, the Settlement Agreements will help to avoid substantial cash outflow of the Group in the amount of approximately HK\$106.5 million (including interest payment) when the liabilities falls due. As such, the working capital position and the cash position of the Group will be improved.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Settlement Agreements.

### RECOMMENDATION

Having taken into consideration the factors and reasons stated above, we are of the opinion that the terms of the Settlement Shares under the Settlement Agreements of Mr. Wong and Mr. Lam are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote for the resolution(s) to be proposed at the EGM to approve the issue of Settlement Shares to Mr. Wong or his nominee and Mr. Lam or his nominee and the transactions contemplated thereunder and the granting of the Specific Mandate at the EGM.

Yours faithfully,  
For and on behalf of  
**Draco Capital Limited**

**Kevin Choi**                      **Ivan Chan**  
*Managing Director*                      *Director*

*Mr. Kevin Choi and Mr. Ivan Chan are licensed persons under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of Draco Capital Limited. Mr. Kevin Choi and Mr. Ivan Chan have over 11 and 6 years of experience in corporate finance industry, respectively.*

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations, as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Name of Director	Long/Short position	Capacity	Number of shares	Approximate percentage of the issued shares held as at the Latest Practicable Date
Mr. Wong	Long position	Interest of controlled corporation ( <i>Note 1</i> )	1,250,627,360	52.42%
	Long position	Beneficial owner ( <i>Note 2</i> )	647,590,121	27.14%
Mr. Tsang Sze Wai Claudius	Long position	Beneficial owner	18,000,000	0.76%
Mr. Cheung Yick Hung Jackie	Long position	Beneficial owner ( <i>Note 3</i> )	368,000	0.002%
Mr. Chung Koon Yan	Long position	Beneficial owner ( <i>Note 4</i> )	268,000	0.001%
Mr. Wong Chi Ying Anthony	Long position	Beneficial owner ( <i>Note 5</i> )	268,000	0.001%
Mr. Tang Warren Louis	Long position	Beneficial owner ( <i>Note 6</i> )	250,000	0.001%

*Notes:*

1. These shares are held by Abundance Development Limited and Mpplication Group Limited, each of which is wholly owned by Mr. Wong. By virtue of the SFO, Mr. Wong is deemed to be interested in the 1,240,547,360 shares and 10,080,000 shares of the Company which Abundance Development Limited and Mpplication Group Limited owns respectively.
2. Among 647,590,121 shares, 605,255,597 shares represent shares to be allotted to Mr. Wong (or his nominee) pursuant to the Mr. Wong's Settlement Agreement, and 23,856,680 shares represent the underlying shares under the options to be granted to Mr. Wong pursuant to the Conditional Grant of Share Options to Mr. Wong.
3. These shares represent 250,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme, and 118,000 shares beneficially owned by Mr. Cheung Yick Hung Jackie.
4. These shares represent 250,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme, and 18,000 shares beneficially owned by Mr. Chung Koon Yan.
5. These shares represent 250,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme, and 18,000 shares beneficially owned by Mr. Wong Chi Ying Anthony.
6. These shares represent 250,000 underlying shares under the options granted by the Company on 12 December 2022 pursuant to the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, (i) none of the Directors or their associates had any interests and/or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code; and (ii) none of the Directors or proposed Director is a director or employee of a company which has an interest and/or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.



**(b) Substantial Shareholders' interests**

As at the Latest Practicable Date, the following persons (other than the Directors or chief executives of our Company) had interests of 5% or more in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Long/Short position	Capacity	Number of shares	Approximate percentage of the issued shares held as at the Latest Practicable Date
Abundance Development Limited (Note 1)	Long position	Beneficial owner	1,240,547,360	52.00%
Cai Linda Xin Xin (Note 2)	Long position	Interest of spouse	1,898,217,481	79.56%
Ancient Wisdom Limited (Note 3)	Long position	Person having a security interest in shares	1,229,147,920	51.52%
Wu Shang Tun Mason (Note 3)	Long position	Interest of controlled corporation	1,229,147,920	51.52%
Mr. Lam (Note 4)	Long position	Beneficial owner	134,335,985	5.63%
Beyond Ever Limited	Long position	Beneficial owner	138,366,000	5.08%

*Notes:*

1. Abundance Development Limited is a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Wong.
2. Ms. Cai Linda Xin Xin is the spouse of Mr. Wong. Under the SFO, Ms. Cai Linda Xin Xin is deemed to be interested in all the shares of the Company in which Mr. Wong is interested.
3. Ancient Wisdom Limited is wholly-owned by Mr. Wu Shang Tun Mason. Under the SFO, Mr. Wu Shang Tun Mason is deemed to be interested in all the shares of the Company owned by Ancient Wisdom Limited.
4. Among 134,335,985 shares, 110,235,985 represent shares to be allotted to Mr. Lam (or his nominee) pursuant to the Mr. Lam's Settlement Agreement.

Save as disclosed above, as at the Latest Practicable Date, the Company is not aware of any other person having any interests or short positions in the Shares or underlying Shares of the Company as at the Latest Practicable Date as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### 3. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2022, the date of which the latest published and audited consolidated financial statements of the Company were made up.

### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### 5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

### 6. QUALIFICATION AND CONSENTS OF EXPERT

The following sets out the qualifications of the experts who have given their opinions or advice or statements as contained in this circular:

<b>Name</b>	<b>Qualification</b>
Draco Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above expert had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

As at the Latest Practicable Date, the above expert had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 March 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased.

As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

## **7. MATERIAL ADVERSE CHANGE**

As disclosed in the interim results announcement of the Company for the six months ended 30 September 2022, the Group's loss attributable to the owners of the Company increased by approximately HK\$40.5 million or 186.6% from approximately HK\$21.7 million for the six months ended 30 September 2021 to approximately HK\$62.2 million for the six months ended 30 September 2022. Such increase in loss was primarily attributable to the decrease in revenue of approximately 85.6%, and the increase of the provision for expected credit loss of trade receivables of approximately 174.3%. For further details, please refer to the interim results announcement of the Company for the six months ended 30 September 2022, and the Company's profit warning announcement dated 18 November 2022.

Save as disclosed, as at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

## **8. DOCUMENTS ON DISPLAY**

A copy of each of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.unitygroup.eco>) from the date of this circular up to and including the date of the EGM:

- (a) Dragon Founder's Settlement Agreement;
- (b) Mr. Lam's Settlement Agreement;
- (c) Mr. Wong's Settlement Agreement;
- (d) the letter from Independent Financial Adviser as set out in this circular;
- (e) the letter from the Independent Board Committee as set out in this circular; and
- (f) this circular.

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## NOTICE OF EGM

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### Unity Group Holdings International Limited 知行集團控股國際有限公司

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1539)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Unity Group Holdings International Limited 知行集團控股國際有限公司 (the “Company”) will be held at 2/F, J Plus, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Thursday, 15 June 2023 at 10:30 a.m., to consider and, if thought fit, pass the following ordinary resolutions (with or without modifications):

#### **ORDINARY RESOLUTIONS**

1. “**THAT** the grant of 23,856,680 share options to Mr. Wong Man Fai Mansfield, an executive director, chief executive officer and substantial shareholder of the Company, under the share option scheme adopted by the Company on 5 March 2015 (which was amended on 26 October 2016) to subscribe for 23,856,680 ordinary shares in the share capital of the Company at the exercise price of HK\$0.139 per share and on the terms and conditions set out in the circular to the shareholders of the Company dated 23 May 2023 be and is hereby confirmed and approved, and that any one Director of the Company be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”
2. “**THAT**
  - (a) the Dragon Founder’s Settlement Agreement (a copy of which has been produced to this meeting marked “A” and initialled by the Chairman for the purpose of identification) and the transaction contemplated thereunder be and is hereby approved, confirmed and ratified;
  - (b) conditional upon the Stock Exchange granting the listing of, and permission to deal in the Shares to be allotted to Dragon Founder, the Directors be and are hereby granted a specific mandate (the “**Dragon Founder’s Specific Mandate**”) to allot and issue the Shares to Dragon Founder pursuant to the Dragon Founder’s Settlement Agreement, provided that the Dragon Founder’s Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution; and

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## NOTICE OF EGM

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- (c) any one Director be and is hereby authorised to do all such acts and things and execute (or where execution under the common seal of the Company is required, execute under seal) all such document as he considers necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to or otherwise in connection with the Dragon Founder's Settlement Agreement and the transaction contemplated hereunder."

3. **"THAT**

- (a) the Mr. Lam's Settlement Agreement (a copy of which has been produced to this meeting marked "B" and initialled by the Chairman for the purpose of identification) and the transaction contemplated thereunder be and is hereby approved, confirmed and ratified;
- (b) conditional upon the Stock Exchange granting the listing of, and permission to deal in the Shares to be allotted to Mr. Lam (or his nominee), the Directors be and are hereby granted a specific mandate (the "**Mr. Lam's Specific Mandate**") to allot and issue the Shares to Mr. Lam (or his nominee) pursuant to the Mr. Lam's Settlement Agreement, provided that the Mr. Lam's Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution; and
- (c) any one Director be and is hereby authorised to do all such acts and things and execute (or where execution under the common seal of the Company is required, execute under seal) all such document as he considers necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to or otherwise in connection with the Mr. Lam's Settlement Agreement and the transaction contemplated hereunder."

4. **"THAT**

- (a) the Mr. Wong's Settlement Agreement (a copy of which has been produced to this meeting marked "C" and initialled by the Chairman for the purpose of identification) and the transaction contemplated thereunder be and is hereby approved, confirmed and ratified;

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## NOTICE OF EGM

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- (b) conditional upon the Stock Exchange granting the listing of, and permission to deal in the Shares to be allotted to Mr. Wong (or his nominee), the Directors be and are hereby granted a specific mandate (the “**Mr. Wong’s Specific Mandate**”) to allot and issue the Shares to Mr. Wong (or his nominee) pursuant to the Mr. Wong’s Settlement Agreement, provided that the Mr. Wong’s Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution; and
- (c) any one Director be and is hereby authorised to do all such acts and things and execute (or where execution under the common seal of the Company is required, execute under seal) all such document as he considers necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to or otherwise in connection with Mr. Wong’s Settlement Agreement and the transaction contemplated hereunder.”

By order of the Board  
**Unity Group Holdings International Limited**  
**Wong Man Fai Mansfield**  
*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 23 May 2023

*Notes:*

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Company’s articles of association and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the above meeting. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the completed and signed form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be delivered to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in any event no later than 10:30 a.m. (Hong Kong time) on Tuesday, 13 June 2023 (or if the EGM is adjourned, not less than 48 hours before the time appointed for the holding of the adjourned EGM). Completion and delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

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## NOTICE OF EGM

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4. For the purpose of determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, 9 June 2023 to Thursday, 15 June 2023, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, all duly completed and signed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 8 June 2023

In the event that the EGM is adjourned to a date later than Thursday, 15 June 2023 because of bad weather or other reasons, the book closure period and record date for determination of entitlement to attend and vote at the EGM will remain the same as stated above.

5. **Bad Weather Arrangements**

Subject to the articles of association of the Company, the Listing Rules and the applicable laws of the Cayman Islands, if a tropical cyclone warning signal number 8 or above is hoisted or a black rainstorm warning signal is in force or expected to be in force in Hong Kong at any time between 8:30 a.m. to 11:30 a.m. on the date of the EGM, the EGM will be automatically adjourned to a later date. When the date, time and location of the adjourned meeting has been fixed by the Directors, the Company will post an announcement on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.unitygroup.eco>) to notify shareholders of the date, time and location of the adjourned meeting.

The EGM will be held as scheduled when an amber or a red rainstorm warning signal is in force in Hong Kong. Shareholders should in any event exercise due care and caution when deciding to attend the EGM in adverse weather conditions.

6. The form of proxy for use at the EGM is enclosed herewith.