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Most Kwai Chung Limited

毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1716)

INSIDE INFORMATION TRANSFER OF SHARES BY THE CONTROLLING SHAREHOLDER TO SELECTED EMPLOYEES OF THE COMPANY

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of Most Kwai Chung Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 1 August 2021 in relation to, among other things, the undertakings of Mr. Iu and Mr. Luk to procure Blackpaper BVI to transfer the Award Shares to certain long-serving employees of the Group as designated by Mr. Tsui (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

The Board has been informed that on 25 January 2022, Blackpaper BVI (the controlling shareholder of the Company) has transferred an aggregate of 6,750,000 shares of the Company, representing 2.5% of the entire issued share capital of the Company, to the Selected Employees (the “**Share Transfer**”). Details of the Selected Employees and the Share Transfer are set out below:

Name of Selected Employee	Group company name	Position	Number of Shares	Percentage of issued share capital of the Company
Leung Hoi Yui	Blackpaper Limited ^{Note}	General Manager	1,687,500	0.625%
Chui Cheung Lam	Blackpaper Limited ^{Note}	Head of Creative	1,687,500	0.625%

Name of Selected Employee	Group company name	Position	Number of Shares	Percentage of issued share capital of the Company
Yuen Kam Shing	Blackpaper Limited ^{Note}	Head of Art & Design	1,687,500	0.625%
Wong Kar Wai	Blackpaper Limited ^{Note}	Programme Manager	<u>1,687,500</u>	<u>0.625%</u>
Total			<u>6,750,000</u>	<u>2.5%</u>

Note: Blackpaper Limited is a company incorporated in Hong Kong and is indirectly wholly-owned by the Company.

The Company has also been informed that a deed of concert parties has been entered into among Mr. Iu, Mr. Luk, Blackpaper BVI and each of the Selected Employees, pursuant to which each of the Selected Employees has agreed and undertaken that:

- (a) for the entire duration that he/she remains interested in, whether directly or indirectly, all or any of the Award Shares, he/she shall be acting in concert (as defined in The Code on Takeovers and Mergers and Share Buy-backs by the Securities and Futures Commission) with Mr. Iu, Mr. Luk and Blackpaper BVI as one party in casting votes (by himself/herself and/or through company(ies) controlled by him/her and/or his/her trustees) on all matters of each member of the Group;
- (b) except with the prior written consent of Mr. Iu, Mr. Luk and Blackpaper BVI, each of the Selected Employees shall not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, all or any of the Award Shares in respect of which he/she is a legal and/or beneficial owner during the period commencing from the date on which his/her name is entered into the register of members of the Company and ending on the fifth (5th) anniversary thereof (the “**Period**”); and
- (c) if, at any time after the Period, any of the Selected Employees propose to sell, transfer or otherwise dispose of all or any of the Award Shares in respect of which he/she is a legal and/or beneficial owner (the “**Proposed Sale Shares**”), such Selected Employee shall notify Blackpaper BVI of such intention in writing, and Blackpaper BVI shall have the right to purchase the Proposed Sale Shares.

As at the date of this announcement, the Company is owned as to 65% by Blackpaper BVI, which in turn is owned as to 50% and 50% by Mr. Iu and Mr. Luk, respectively. Hence, the Share Transfer did not result in any change in the controlling shareholder and de facto controller of the Company.

As the Share Transfer is regarded as a share-based payment by the Company under the relevant accounting treatments, and that there may be a difference between the consideration of the Share Transfer and the fair value of the Award Shares upon valuation of the Award Shares is being conducted, such difference may constitute an expense of the Company which may impose an impact on the financial statements of the Company. The actual impact of such on the financial statements of the Company are subject to the review by the audit committee of the Company and audit by the reporting accountants of the Company. The Company shall make further announcement(s) in relation to such potential and actual impact as and when appropriate according to the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Most Kwai Chung Limited
Iu Kar Ho
Chairman

Hong Kong, 25 January 2022

As at the date of this announcement, the Board comprises Mr. Iu Kar Ho (Chairman) and Mr. Luk Ka Chun as executive Directors, and Mr. Leung Wai Man, Mr. Ho Kwong Yu and Mr. Leung Ting Yuk as independent non-executive Directors.