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

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LONGHUI INTERNATIONAL HOLDINGS LIMITED

龍輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EGM

Placing Agent



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

A notice convening the EGM to be held at Room 1108, 11/F., Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Monday, 27 May 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (www.cre8ir.com/longhui/). Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

10 May 2024

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DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	means any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Longhui International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1007)
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“Completion Date”	a date falling within five (5) Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Room 1108, 11/F., Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Monday, 27 May 2024 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages EGM-1 to EGM-3 of this circular
“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 People’s Republic of China
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associates)

DEFINITIONS

“Latest Practicable Date”	8 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 July 2024, or such later date as may be agreed by the parties to the Placing Agreement in writing
“Placee(s)”	any individual(s), corporate, institutional investor(s) or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of up to 63,223,721 Placing Shares on a best effort basis on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Leeds Securities Investment Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement dated 8 April 2024 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.48 per Placing Share
“Placing Share(s)”	a total of up to 63,223,721 new Shares to be placed pursuant to the Placing Agreement
“Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)

DEFINITIONS

“Specific Mandate”	the specific mandate to be sought, approved and granted by the Shareholders at the EGM to allot and issue a maximum of 63,223,721 Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

In this circular, amounts in RMB are translated into HK\$ on the basis of RMB1.00 = HK\$1.10. The conversion rate is for illustration purposes only and should not be taken as a representation that RMB could actually be converted in HK\$ at such rate or at all.

LETTER FROM THE BOARD

LONGHUI INTERNATIONAL HOLDINGS LIMITED

龍輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

Executive Directors:

Mr. Hung Shui Chak (*Chairman*)
Mr. So Kam Chuen
Mr. Yuan Mingjie

Independent non-executive Directors:

Mr. Tam Bing Chung Benson
Mr. Cheung Ting Pong
Mr. Shum Kei Yiu Daniel

Registered Office:

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

Principal place of

business in Hong Kong:
6/F., Queen's Road Centre
152 Queen's Road Central
Central, Hong Kong

10 May 2024

To the Shareholders,

Dear Sirs,

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE
AND
NOTICE OF EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 8 April 2024 in relation to, among other matters, the Placing.

The purpose of this circular is to provide Shareholders with, among other things, (i) further details of the Placing; and (ii) a notice of the EGM to be convened to consider and, if thought fit, approve, among other things, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares.

LETTER FROM THE BOARD

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 8 April 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agrees, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owner(s) (if applicable) will be Independent Third Parties to subscribe for up to 63,223,721 Placing Shares at the Placing Price of HK\$0.48 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 8 April 2024 (after trading hours)

Parties: (i) the Company (as issuer); and
(ii) Leeds Securities Investment Limited (as Placing Agent).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties as at the Latest Practicable Date.

Placing commission

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 5% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

Placees

The Placing Shares will be placed to not less than six Placees who will be individuals, corporation(s) and/or institutional or professional investor(s) who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder (within the meaning of the Listing Rules). Pursuant to the Placing Agreement, the Placing Agent will use its best endeavour to ensure that none of the Placees to be procured by the Placing Agent will, immediately upon Completion, become a substantial Shareholder (within the meaning of the Listing Rules).

LETTER FROM THE BOARD

Placing Shares

As at the Latest Practicable Date, the Company has 105,372,867 Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Completion Date, the maximum of 63,223,721 Placing Shares represent (i) approximately 60.00% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 37.50% of the issued share capital of the Company as enlarged by the allotment and issue of 63,223,721 Placing Shares. Assuming all 63,223,721 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the maximum of 63,223,721 Placing Shares is HK\$252,894.884.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

Placing under Specific Mandate

As the number of Placing Shares have exceeded the maximum number of Shares that can be issued under the general mandate, the Board is of the view that it is more efficient and reasonable to allot and issue the Placing Shares entirely pursuant to the specific mandate. The Placing Shares will be allotted and issued under the Specific Mandate to be sought and approved by the Shareholders at the EGM.

Placing Price

The Placing Price of HK\$0.48 per Placing Share represents:

- (i) a discount of approximately 37.7% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a discount of approximately 29.4% to the average closing price per Share of approximately HK\$0.68 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement;
- (iii) a discount of approximately 67.6% to the closing price of HK\$1.48 per Share as quoted on the Stock Exchange as of the Latest Practicable Date; and
- (iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 14.1%, represented by the theoretical diluted price of approximately HK\$0.66 per Share to the benchmarked price of approximately HK\$0.77 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the date of the Placing Agreement of HK\$0.77 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Placing Agreement of HK\$0.68 per Share).

LETTER FROM THE BOARD

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to, among other things, the prevailing market prices and the current market conditions. In particular, (a) the low trading volume of the Shares during the 3-month period prior to date of the Placing Agreement with average daily trading volume amounted to approximately 0.14% of the total issued Shares as at the date of the Placing Agreement, indicating low liquidity and demand for the Shares; and (b) the current market sentiment of the shares of listed companies in Hong Kong, which can be observed from the significant decrease of the Hang Seng Index of approximately 26.25% from 22,689.90 points, being the highest recorded in 2023 on 27 January 2023, to 16,732.85 points, being the closing price as at the date of the Placing Agreement, whereby only a discounted price of the Shares would be attractive to professional investors. Having considered the above, the Directors consider that the basis for determining the Placing Price, despite the discount to the benchmark prices above, is fair and reasonable.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfilment of all of the following:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares;
- (ii) the passing of necessary resolution(s) by the shareholders of the Company who are allowed to vote under the Listing Rules of the relevant resolution(s) to approve the Placing Agreement and the transactions contemplated hereunder, including the grant of the Specific Mandate at the EGM; and
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained.

If any of the conditions are not fulfilled on or before the Long Stop Date, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Completion

The Completion shall take place on a date falling within five (5) Business Days after the fulfilment of the conditions set out above are satisfied (or such later date as may be agreed between the parties to the Placing Agreement in writing).

LETTER FROM THE BOARD

Termination

If at any time between the execution of the Placing Agreement and at 8:00 a.m. on the Completion Date, there occurs:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of this Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

LETTER FROM THE BOARD

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Completion Date.

The Directors are not aware of the occurrence of any of the above events as at the Latest Practicable Date.

If the Placing Agent exercises such right of termination, the Placing will not proceed. A further announcement will be made by the Company if the Placing Agreement (as amended and supplemented by the Supplemental Agreement) is terminated by the Placing Agent.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Group is primarily engaged in the operation of a hotpot restaurant chain.

As disclosed in the annual results announcement of the Company for the financial year ended 31 December 2023, the Group's audited loss attributable to the Shareholders was approximately RMB14.4 million. As 31 December 2023, the audited bank balances and cash of the Group amounted to approximately RMB2.9 million while the Group's audited other payables and accruals amounted to approximately RMB135.0 million and the Group's unaudited borrowings was approximately RMB3.0 million. As at the Latest Practicable Date, the amounts due to an ultimate controlling shareholder and independent third parties were approximately RMB8.8 million and RMB24.9 million, respectively. The Board considers that the Group's existing cash together with the cash generated from the Group's operation may not be sufficient to meet the need for both repayment of liabilities and general operation.

The gross proceeds from the Placing will be HK\$30.3 million (equivalent to approximately RMB27.3 million) (assuming all the Placing Shares are fully placed). The net proceeds, after deduction of relevant expenses (including but not limited to placing commission, legal expenses and disbursements) of approximately HK\$1.5 million (equivalent to approximately RMB1.4 million), are estimated to be HK\$28.8 million (equivalent to approximately RMB25.9 million), representing a net issue price of approximately HK\$0.46 per Placing Share.

LETTER FROM THE BOARD

Assuming all the Placing Shares are fully placed, the Company intends to apply the net proceeds from the Placing as to HK\$25.9 million (equivalent to approximately RMB23.4 million), or 90%, for repayment of the Group indebtedness and interest expenses, and as to HK\$2.9 million (equivalent to approximately RMB2.6 million), or 10%, as general working capital of the Group. The debts to be settled using the net proceeds of HK\$25.9 million (equivalent to approximately RMB23.4 million) are (i) an aggregate outstanding amount due to three Independent Third Parties of RMB9.89 million booked as other payables and accruals, which are non-interest bearing and repayable on demand (the “**Three I3P Repayable on Demand Loans**”); and (ii) an outstanding amount due to one Independent Third Party of RMB15 million granted to the Company on 23 January 2024, with an interest rate of 8% per annum and will be matured on 22 July 2024. As at the Latest Practicable Date, each of the creditors of the Three I3P Repayable on Demand Loans has demanded the Company to settle the outstanding amounts. The Group’s gearing ratio as at 31 December 2023 was approximately 0.50. Upon the repayment of the Group indebtedness and interest expenses, the gearing ratio is expected to be approximately 0.07. The Directors are of the view that the Placing can strengthen the financial position of the Group and provide funding to the Group to repay indebtedness and interest expenses of the Group and finance its working capital needs. The Placing also represents a good opportunity to broaden the Shareholders’ base and the capital base of the Company.

The Board has considered other alternative fund-raising methods such as debt financing, rights issue or open offer. The Board considered that debt financing may incur further interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group’s financial position and the then financial market condition and it may be relatively uncertain and time-consuming. For pre-emptive fund-raising methods such as rights issue and open offer, having considered (a) the relatively higher costs for conducting rights issue or open offer due to additional costs for engagement of various professional parties such as underwriters, reporting accountants, financial advisers and brokerage agents (if applicable); and (b) a relatively longer time is usually required for rights issue or open offer which involve more stringent documentary and registration requirements such as preparation of listing documents, application forms, registration requirements for a listing document and negotiations with the underwriter on the terms and conditions of the underwriting agreement, the Board does not consider rights issue and open offer to be desirable alternatives to the Placing.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

CHANGES IN SHAREHOLDING STRUCTURE

Assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Completion, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Completion assuming all Placing Shares are fully placed, is set out as follows:

Shareholders	As at the Latest Practicable Date		Immediately after Completion assuming all Placing Shares are fully placed	
	Number of issued Shares	Approximate Percentage	Number of issued Shares	Approximate Percentage
Directors				
Mr. Hung Shui Chak (<i>Note 1</i>)	52,842,462	50.15%	52,842,462	31.34%
Mr. So Kam Chuen	948,233	0.90%	948,233	0.56%
Mr. Yuan Mingjie	751,360	0.71%	751,360	0.45%
Public Shareholders				
The Placees (<i>Note 2</i>)	—	—	63,223,721	37.50%
Other Shareholders	<u>50,830,812</u>	<u>48.24%</u>	<u>50,830,812</u>	<u>30.15%</u>
Total	<u>105,372,867</u>	<u>100.00%</u>	<u>168,596,588</u>	<u>100%</u>

Notes:

1. The 52,842,462 shares were held by Shui Chak Group Limited. Shui Chak Group Limited was wholly-owned by Mr. Hung Shui Chak. Thus, Mr. Hung Shui Chak was deemed to be interested in the 52,842,462 shares held by Shui Chak Group Limited pursuant to the SFO.
2. Pursuant to the Placing Agreement, the Placing Agent will use its best endeavour to ensure that none of the Placees to be procured by the Placing Agent will, immediately upon Completion, become a substantial Shareholder (within the meaning of the Listing Rules) and the Placees will become public shareholders of the Company upon Completion.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

The Company had not conducted any fund raising activities involving the issue of its equity securities in the past 12 months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS

The Placing will not result in a theoretical dilution effect of 25% or more on its own or when aggregated with the Rights Issue. As such, the theoretical dilution impact of the Placing is in compliance with Rule 7.27B of the Listing Rules.

LETTER FROM THE BOARD

GENERAL

None of the Directors has a material interest in the Placing Agreement and hence no Director was required to abstain from voting on the Board resolution approving the Placing Agreement.

The Placing is subject to the Shareholders' approval at the EGM. The Placing Shares will be allotted and issued under the Specific Mandate and the Placing will be subject to the Shareholders' approval at the EGM.

EGM

The EGM will be held and convened for the Shareholders to consider and, if thought fit, approve, among other things, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders and their respective close associates has any material interest in the Placing, the Placing Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate, and no Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Placing, the Placing Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate, at the EGM.

A notice convening the EGM to be held at Room 1108, 11/F., Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Monday, 27 May 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cre8ir.com/longhui/).

Whether or not Shareholders are able to attend and vote at the EGM in person, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 11:00 a.m. on Saturday, 25 May 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting (save for certain procedural or administrative matters) must be taken by poll. The chairman of the EGM shall therefore demand voting on the resolution set out in the notice of EGM be taken by way of poll.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he is the holder. A Shareholder entitled to more than one vote on a poll needs not use all his votes or cast all the votes he uses in the same way.

RECORD DATE

The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Friday, 24 May 2024. To be eligible to attend and vote at the EGM, all transfers of Share accompanied by the relevant share certificates must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 24 May 2024.

RECOMMENDATION

The Board considers that the Placing, the Placing Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate, are fair and reasonable and in the interest of the Company and the Shareholders as a whole and recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

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

MISCELLANEOUS

In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

Shareholders and potential investors of the Company should note that the completion of the Placing is subject to the fulfillment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

By order of the Board
Longhui International Holdings Limited
Hung Shui Chak
Chairman and Executive Director

NOTICE OF EGM

LONGHUI INTERNATIONAL HOLDINGS LIMITED

龍輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of the shareholders (the “Shareholder(s)”) of Longhui International Holdings Limited (the “Company”) will be held at Room 1108, 11/F., Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Monday, 27 May 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company. The capitalised terms defined in the circular of the Company dated 10 May 2024 (the “Circular”) of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTION

“THAT

- (a) the placing agreement dated 8 April 2024 (the “**Placing Agreement**”) entered into between the Company as issuer and Leeds Securities Investment Limited as the placing agent in relation to the placing of up to 63,223,721 shares of the Company (the “**Placing Share(s)**”) at the placing price of HK\$0.48 per Placing Share (the “**Placing**”) (a copy of the Placing Agreement marked “A” having been produced to the EGM and initialed by the chairman of the EGM for the purpose of identification), and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares) be and are hereby approved, confirmed and ratified;
- (b) the board of directors (the “**Director(s)**”) of the Company be and is hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Placing Shares, subject to and in accordance with the terms and conditions of the Placing Agreement; and
- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things, and to sign, execute and deliver all such documents whether under the common seal of the Company or otherwise as may be necessary, desirable or

NOTICE OF EGM

expedient to carry out or give effect to or in connection with the Placing, the Placing Agreement and the transactions contemplated thereunder, including without limitation, the allotment and issue of the Placing Shares under the specific mandate and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its Shareholders as a whole.”

By order of the Board
Longhui International Holdings Limited
Hung Shui Chak
Chairman and Executive Director

Hong Kong, 10 May 2024

Notes:

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this notice.
2. Voting at the EGM will be taken by poll as required under the Listing Rules.
3. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member 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 meeting of the Company. A proxy need not be a member of the Company.
4. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Friday, 24 May 2024. To be eligible to attend and vote at the EGM, all transfers of Share accompanied by the relevant share certificates must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 24 May 2024.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
6. A form of proxy for the EGM is enclosed. In order to be valid, the form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

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7. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the EGM, and in such event the instrument appointing a proxy shall be deemed to be revoked.
8. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
9. The English text of this notice of EGM shall prevail over the Chinese text in case of inconsistency.
10. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is in force at or at any time after 7:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the Company’s website at www.cre8ir.com/longhui/ and the website of the Stock Exchange at www.hkexnews.hk to notify members of the date, time and place of the rescheduled EGM.
11. If member has any particular access requirements or needs special arrangements for participating at the meeting, please contact the Hong Kong branch share registrar and transfer office of the Company.
12. As at the date hereof, the Board comprises three executive Directors, namely are Mr. Hung Shui Chak, Mr. So Kam Chuen and Mr. Yuan Mingjie; and three independent non-executive Directors, namely are Mr. Tam Bing Chung Benson, Mr. Cheung Ting Pong and Mr. Shum Kei Yiu Daniel.