

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Expert Systems Holdings Limited (the “**Company**”), you should at once hand this circular and the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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EXPERT

EXPERT SYSTEMS HOLDINGS LIMITED

思博系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8319)

**PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF THE 2024 ANNUAL GENERAL MEETING**

A notice convening the 2024 annual general meeting of the Company to be held on Tuesday, 17 September 2024 at 10:30 a.m. at Paragon Creator Space, 4/F, Yau Lee Centre, 45 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (the “**2024 AGM**”) is set out on pages 19 to 24 of this circular. A form of proxy for use at the 2024 AGM is published on the websites of the Stock Exchange and the Company at www.hkexnews.hk and www.expertsystems.com.hk, respectively.

Whether or not you are able to attend the 2024 AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2024 AGM or any adjournment or postponement thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the 2024 AGM or any adjourned or postponed meeting if they so wish, and in such event, the form of proxy previously submitted shall be deemed to be revoked.

This circular will remain on the Stock Exchange’s website at www.hkexnews.hk and the GEM website at www.hkgem.com, on the “Latest Listed Company Announcements” page for at least seven days from the date of its posting and on the Company’s website at www.expertsystems.com.hk.

31 July 2024

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	4
2. Proposed Granting of the Issuance Mandate and the Repurchase Mandate	5
3. Proposed Re-election of Directors	6
4. Declaration of Final Dividend	6
5. 2024 AGM and Proxy Arrangement	8
6. Recommendation	8
7. Closure of Register of Members	9
8. Statement of Responsibility	9
9. Additional Information	9
Appendix I — Explanatory Statement on the Repurchase Mandate	10
Appendix II — Details of Directors Proposed to be Re-elected at the 2024 AGM ..	14
Notice of the 2024 AGM	19

DEFINITIONS

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

“2024 AGM”	an annual general meeting of the Company to be held on Tuesday, 17 September 2024 at 10:30 a.m. at Paragon Creator Space, 4/F, Yau Lee Centre, 45 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong to consider and, if appropriate, to approve the resolutions contained in the AGM Notice which is set out on pages 19 to 24 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the 2024 AGM set out on pages 19 to 24 of this circular
“Articles”	the articles of association of the Company, as adopted on 15 March 2016 and amended from time to time
“Board”	the board of the Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act, Cap. 22 (Revised) of the Cayman Islands
“Company”	Expert Systems Holdings Limited (思博系統控股有限公司), a company incorporated in the Cayman Islands on 18 September 2015 as an exempted company with limited liability and registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Controlling Shareholders”	a group of Shareholders which controls the Company
“Director(s)”	the director(s) of the Company
“Expert HK”	Expert Systems Limited, a company incorporated in Hong Kong and the operating subsidiary of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented and/or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board of this circular
“Latest Practicable Date”	17 July 2024, being the latest practicable date prior to the printing of this circular for ascertaining information in this circular
“Memorandum and Articles”	the memorandum and articles of association of the Company, as adopted on 15 March 2016 and amended from time to time
“PRC”	the People’s Republic of China
“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board of this circular
“SFO”	the Securities and Future Ordinance, (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share Option Scheme”	the share option scheme adopted by the Company on 15 March 2016
“Share Options”	the options granted under the Share Option Scheme which entitle the holders thereof to subscribe for Shares in accordance with the terms of the Share Option Scheme
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company, or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented and/or otherwise modified from time to time

DEFINITIONS

“treasury shares” has the meaning ascribed to it under the GEM Listing Rules

“%” per cent.



EXPERT

EXPERT SYSTEMS HOLDINGS LIMITED

思博系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8319)

Executive Directors:

Mr. Lau Wai Kwok (*Chief Executive Officer*)
Mr. Chan Kin Mei Stanley
Ms. Lau Tsz Yan
Mr. So Cheuk Wah Benton

Non-executive Directors:

Mr. Wong Chu Kee Daniel (*Chairman*)
Mr. Chu Siu Sum Alex

Independent non-executive Directors:

Mr. Au Yu Chiu Steven
Mr. Ko Man Fu
Mr. Mak Wai Sing

Registered office:

Third Floor
Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

*Principal place of business
in Hong Kong:*

22/F, Yen Sheng Centre
64 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong

31 July 2024

To the Shareholders,

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF THE 2024 AGM**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the 2024 AGM for (i) the granting of the Issuance Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it (including any sale or transfer of treasury shares (if any) out of treasury) the number of the Shares repurchased by the Company under the Repurchase Mandate; and (iv) the re-election of Directors.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE ISSUANCE MANDATE AND THE REPURCHASE MANDATE

Ordinary resolutions will be proposed at the 2024 AGM to approve the granting of the new general mandates to the Directors:

- (a) to allot, issue or deal with new Shares (including any sale or transfer of treasury shares (if any) out of treasury) of not exceeding 20% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of passing such resolution (i.e. an aggregate number of Shares not exceeding 160,656,000 Shares) on the basis that the existing issued share capital of the Company of 803,280,000 Shares remains unchanged as at the date of the 2024 AGM) (the “**Issuance Mandate**”);
- (b) to repurchase Shares, on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, of not exceeding 10% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of passing such resolution (i.e. an aggregate number of Shares not exceeding 80,328,000 Shares) on the basis that the existing issued share capital of the Company of 803,280,000 Shares remains unchanged as at the date of the 2024 AGM) (the “**Repurchase Mandate**”); and
- (c) subject to the passing of the aforesaid ordinary resolutions granting the Issuance Mandate and the Repurchase Mandate, to extend the Issuance Mandate (including any sale or transfer of treasury shares (if any) out of treasury) by the number of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. An explanatory statement containing information relating to the Repurchase Mandate as required pursuant to the GEM Listing Rules, in particular Rule 13.08 of the GEM Listing Rules, is set out in Appendix I to this circular. This explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate. The Directors currently have no immediate plan to exercise the Issuance Mandate or the Repurchase Mandate (if granted to the Directors at the 2024 AGM).

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to Article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Pursuant to Article 84(1) of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

As such, each of Mr. Lau Wai Kwok, Mr. Wong Chu Kee Daniel and Mr. Mak Wai Sing will retire from office as Director at the 2024 AGM and being eligible, will offer himself for re-election.

The Nomination Committee of the Company reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and, where applicable, the independence of all independent non-executive Directors. The Company considers that the retiring independent non-executive Director, Mr. Mak Wai Sing, is independent in accordance with the independence guidelines set out in the GEM Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors who are due to retire at the 2024 AGM and seeking for re-election.

Each of the retiring directors has abstained from voting on his own nomination when it was considered by the Nomination Committee and the Board.

The requisite details of the above Directors proposed to be re-elected at the 2024 AGM are set out in Appendix II to this circular.

4. DECLARATION OF FINAL DIVIDEND

The Board has recommended the declaration of a final dividend of HK0.82 cent per Share for the year ended 31 March 2024 to be paid to the Shareholders whose names appear on the register of members of the Company on Friday, 27 September 2024. An ordinary resolution will be proposed at the 2024 AGM to declare the final dividend.

LETTER FROM THE BOARD

Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the payment of the final dividend out of the share premium account” below, the final dividend is proposed to be paid out of the share premium account of the Company.

Under section 34(2) of the Companies Act, the share premium account may be applied by a company in paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business.

As at 31 March 2024, based on the audited consolidated financial statements of the Group, the Company had an aggregate of HK\$42,364,000 standing to credit of its share premium account. Subject to compliance with certain requirements under the laws of the Cayman Islands, the share premium may be applied for payment of dividend by the Company. Following the payment of the proposed final dividend and assuming that there is no change in the number of issued Shares prior to 27 September 2024 (the date for determining the entitlement to the proposed final dividend), there will be a remaining balance of approximately HK\$35,777,000 standing to the credit of the share premium account of the Company.

(a) Conditions of the payment of the final dividend out of the share premium account

The payment of the final dividend out of the share premium account is conditional upon, inter alia, the following being fulfilled:

- (i) the passing of an ordinary resolution by the Shareholders to approve the payment of the final dividend out of the share premium account; and
- (ii) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, and immediately after the final dividend is paid, will be unable to pay its liabilities as they become due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the final dividend will be payable on or about Thursday, 10 October 2024.

The conditions set out above cannot be waived. The final dividend will be paid only when all the conditions are satisfied.

(b) Reasons for and effect of the payment of the final dividend out of the share premium account

After taking into account a number of factors including cash flow and financial condition of the Company, the Board considers it appropriate and proposes that the final dividend be paid out of the share premium account of the Company in accordance with Article 134 of the Articles and the Companies Act. The Board considers such arrangement to be in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Board believes that the payment of the final dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

5. 2024 AGM AND PROXY ARRANGEMENT

A notice convening the 2024 AGM to be held on Tuesday, 17 September 2024 at 10:30 a.m. at Paragon Creator Space, 4/F, Yau Lee Centre, 45 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing the resolutions as stated therein is set out on pages 19 to 24 of this circular.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the 2024 AGM. An announcement on the poll vote results will be published by the Company after the 2024 AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

The 2024 annual report incorporating the audited consolidated financial statements of the Group for the year ended 31 March 2024 and the reports of the Directors and the auditor thereon have been published upon the publication of this circular.

A form of proxy for use at the 2024 AGM is published on the websites of the Stock Exchange and the Company at www.hkexnews.hk and www.expertsystems.com.hk, respectively. Whether or not you are able to attend the 2024 AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, 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, to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for holding the 2024 AGM or any adjournment or postponement thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2024 AGM or any adjourned or postponed meeting if you so wish, and in such event, your form of proxy previously submitted shall be deemed to be revoked.

6. RECOMMENDATION

The Directors consider that the granting/extension of the Issuance Mandate, the Repurchase Mandate and the re-election of the retiring Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice to be proposed at the 2024 AGM.

LETTER FROM THE BOARD

7. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2024 AGM, the transfer books and the register of members of the Company will be closed from Thursday, 12 September 2024 to Tuesday, 17 September 2024, both days inclusive, during which period no transfer of the Shares will be registered. In order to establish the right to attend and vote at the 2024 AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 11 September 2024.

8. STATEMENT OF RESPONSIBILITY

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular: Appendix I — Explanatory Statement on the Repurchase Mandate; and Appendix II — Details of Directors Proposed to be Re-elected at the 2024 AGM.

Yours faithfully,
On behalf of the Board
Expert Systems Holdings Limited
Wong Chu Kee Daniel
Chairman and non-executive Director

The following is an explanatory statement required by the GEM Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2024 AGM in relation to the granting of the Repurchase Mandate.

1. REASON FOR REPURCHASES

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

The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 803,280,000 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the 2024 AGM in respect of the granting of the Repurchase Mandate and on the basis that the issued ordinary share capital of the Company remains unchanged as at the date of the 2024 AGM, i.e. being 803,280,000 Shares, the Directors would be authorised to exercise the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 80,328,000 Shares, being 10% of the total number of the issued Shares (excluding treasury shares, if any) as at the date of the 2024 AGM. The Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

3. FUNDING AND IMPACT OF REPURCHASES

Any repurchase will be funded from the Company's internal resources, which shall be funds legally available for such purpose in accordance with the memorandum of association and the Articles of the Company, the GEM Listing Rules, the applicable laws of the Cayman Islands and/or any other applicable laws, as the case may be.

Under the laws of the Cayman Islands, any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if authorised by the Articles and subject to the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be repurchased must be provided for out of profits or the share premium account of the Company or, if authorised by the Articles and subject to the Companies Act, out of capital.

As compared with the financial position of the Company as at 31 March 2024 (being the date to which the latest audited consolidated accounts of the Company have been made up), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

4. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the Controlling Shareholders, namely, Mr. Chu Siu Sum Alex, Mr. Lau Wai Kwok, Mr. Mok Chu Leung Terry, Mr. Cheung Nap Kai and Mr. Wong Chu Kee Daniel, deemed as parties acting in concert, together control 561,750,000 Shares, or approximately 69.9% interest in the issued share capital of the Company. As a result, each of the Controlling Shareholders is deemed to be interested in such 561,750,000 Shares, representing approximately 69.9% of the issued share capital of the Company, as at the Latest Practicable Date.

In the event that the Repurchase Mandate were exercised in full, the interest of the Controlling Shareholders would be increased from approximately 69.9% to approximately 77.7%. On the basis of the aforesaid increase of shareholding held by the Controlling Shareholders, the Directors are not aware of any consequences of such repurchases of the Shares that would result in a Shareholder, or a group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate were exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or a group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that results in a shareholding of less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Shares in issue (excluding treasury shares, if any) in public hands.

5. GEM LISTING RULES RELATING TO REPURCHASE OF SHARES

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the Company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions.

The GEM Listing Rules provide that all proposed repurchases of shares must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general repurchase mandate or by a specific approval of a particular transaction, and that the shares to be repurchased must be fully paid up.

6. CONFIRMATION OF THE DIRECTORS

The Directors confirm that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the applicable laws of the Cayman Islands and the Memorandum and Articles.

Neither this explanatory statement nor the proposed share repurchase has any unusual features.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or, to the best knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates (as defined in the GEM Listing Rules) have any present intention, in the event that the proposed Repurchase Mandate is granted, to sell the Shares to the Company. No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that they have a present intention to sell the Shares to the Company, or that they have undertaken not to sell any of the Shares held by them to the Company, in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

8. SHARE REPURCHASE MADE BY THE COMPANY

With effect from 11 June 2024, the GEM Listing Rules have been amended to the effect that, among others, the requirements to cancel repurchased shares has been removed such that listed issuers may hold the repurchased shares in treasury subject to the laws of their places of incorporation and their constitutional documents, and a framework in the GEM Listing Rules to govern the resale of treasury shares has been adopted. The Directors consider that such amendments provide greater flexibility to the Company in repurchasing and reselling Shares,

thereby allowing the Company an additional channel to manage its capital structure. The Company may cancel Shares repurchased or hold them as treasury shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the treasury shares deposited with CCASS; (ii) in the case of dividends or distributions, withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions; and (iii) take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

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

9. SHARE PRICES

The highest and lowest prices of the Shares during the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Share Price (per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
July	0.12	0.11
August	0.13	0.12
September	0.13	0.11
October	0.11	0.10
November	0.11	0.10
December	0.11	0.10
2024		
January	0.11	0.10
February	0.11	0.10
March	0.11	0.11
April	0.11	0.10
May	0.12	0.11
June	0.12	0.11
July (up to the Latest Practicable Date)	0.11	0.11

The biographical details of the Directors proposed to be re-elected at the 2024 AGM are set out as follows:

1. LAU WAI KWOK (劉偉國)

Position and experience

Mr. Lau Wai Kwok (劉偉國) (“**Mr. Lau**”), aged 55, is our chief executive officer and an executive Director. Mr. Lau is responsible for overseeing the business, corporate strategy, long-term planning, all-round corporate development and daily operations of our Group. He was appointed as a Director on 18 September 2015 and our chief executive officer and an executive Director on 15 March 2016. He is also the compliance officer of our Company and a member of both our nomination committee and corporate governance committee.

Mr. Lau was appointed as a director of our operating subsidiary, Expert HK, on 24 September 2004. Before appointing as our chief executive officer, he had been the general manager of Expert HK since October 2004, responsible for overseeing the business of Expert HK and Expert Macau which was set up later on. Mr. Lau also holds directorships in other subsidiaries within our Group. He is one of our Controlling Shareholders.

Mr. Lau graduated from the University of Hong Kong with a degree of Bachelor of Science in November 1991. Mr. Lau has extensive experience in the IT and telco industries, including sales, marketing and operational management. Prior to joining the Group, he worked as a marketing executive at System-Pro Computers Limited, an IT products reseller, from August 1992 to December 1995. He joined Dell Computer Asia Limited (“**Dell**”), an IT products manufacturer, in January 1996 as account manager, and he was general sales manager of the large corporate accounts division when he left the company in April 2002. Thereafter, he joined Hutchison Global Communications Limited a telecommunication company, as sale manager — strategic accounts in May 2002, and the position he held before he left the company in October 2004 was manager — sales (public sector).

Length of service

Pursuant to the Director’s service contract entered into between the Company and Mr. Lau, his current term of office is for a period of three years commenced from 15 March 2022, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. Lau is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

As far as the Directors are aware, Mr. Lau does not have any relationships with other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lau was interested in 100,000,000 Shares. In addition, Mr. Lau holds share options under the Share Option Scheme of the Company entitling him to subscribe for 2,000,000 Shares. Save as disclosed above, Mr. Lau had no interest or short position in any Shares, underlying Shares or debentures of the Company pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract, Mr. Lau is entitled to a monthly salary, a variable portion based on performance targets and performance bonuses to be determined by the Board. For the year ended 31 March 2024, Mr. Lau's total emoluments were HK\$2,631,000. Mr. Lau's emoluments are determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no other information of Mr. Lau to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules; and there are no other matters concerning Mr. Lau that need to be brought to the attention of the Shareholders.

2. WONG CHU KEE DANIEL (黃主琦)**Position and experience**

Mr. Wong Chu Kee Daniel (黃主琦) (“**Mr. Wong**”), aged 63, is the chairman of the Company and a non-executive Director. Mr. Wong is responsible for providing leadership to the Board and advising on the business strategies of our Group. He was appointed as a Director on 18 September 2015. Mr. Wong had been a director of the operating subsidiary, Expert HK, from October 2003 to September 2004. He was reappointed as a director of Expert HK in February 2007 and he has been holding such directorship up to now. His role in the Group has been non-executive and he has not taken part in the daily management of the Group. On 15 March 2016, Mr. Wong was appointed as a non-executive Director and the chairman of the Board. He is also a member of corporate governance committee. Mr. Wong also holds directorships in a number of the other subsidiaries within our Group. He is one of the Controlling Shareholders.

Mr. Wong graduated from the University of East Anglia in the United Kingdom with a Bachelor of Science degree in Computer Studies in July 1984. He has over 30 years of experience in the IT industry.

Mr. Wong began his career as a sales support engineer in 1984 and thereafter he joined AST Research (Far East) Limited (“AST”), a computer products manufacturer, in February 1986. During his service at AST, he collaborated with Mr. Chu Siu Sum Alex and Mr. Mok Chu Leung Terry (being two of the Controlling Shareholders) in the development of the China market through the establishment of sales channels and joint ventures in China. Mr. Wong was a general manager for North Asia (including China, Hong Kong, Taiwan, Korea and Japan) before he left AST in October 1998. Mr. Wong is one of the founders of ServiceOne Limited (“**ServiceOne HK**”), which is a connected person of the Company and is principally engaged in providing IT support services across Hong Kong, Macau and China.

Mr. Wong had been a director of Decisionone Limited (“**Decisionone**”) which was a private company incorporated in Hong Kong. Decisionone had not commenced any business since its incorporation and it was subsequently dissolved by deregistration pursuant to Section 291AA of the Predecessor Companies Ordinance on 3 October 2008. Mr. Wong confirmed that Decisionone was solvent at the time of it being dissolved by deregistration.

Length of service

Pursuant to the Director’s service contract entered into between the Company and Mr. Wong, his current term of office is for a period of three years commenced from 15 March 2022, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. Wong is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

As far as the Directors are aware, Mr. Wong does not have any relationships with other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wong was interested in 53,300,000 Shares. In addition, Mr. Wong holds share options under the Share Option Scheme of the Company entitling him to subscribe for 500,000 Shares. Save as disclosed above, Mr. Wong had no interest or short position in any Shares, underlying Shares or debentures of the Company pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract, Mr. Wong is entitled to an annual Director's fee of HK\$168,000 and the participation in any bonus schemes or other benefits of the kind available to the executive Directors. For the year ended 31 March 2024, Mr. Wong's total emoluments were HK\$1,317,000. Mr. Wong's emoluments are determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no other information of Mr. Wong to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules; and there are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

3. MAK WAI SHING (麥偉成)**Position and experience**

Mr. Mak Wai Sing (麥偉成) (“**Mr. Mak**”), aged 63, was appointed as an independent non-executive Director on 15 March 2016. He is responsible for bringing an independent judgment to bear on issues of strategy, investment, policy, performance, accountability, resources, key appointments and standards of conduct. He is also a member of the audit committee, remuneration committee and nomination committee.

Mr. Mak graduated from the University of Nottingham in the United Kingdom with a degree of Bachelor of Science majoring in civil engineering in July 1983. He further received his degree of Master of Business Administration from the Chinese University of Hong Kong in October 1986.

Mr. Mak has over 30 years of experience in the trading business. He began his career with Swire & Maclaine Ltd. (“**Swire & Maclaine**”), a trading company in 1986 and he was group manager when he left Swire & Maclaine. Mr. Mak then joined Li & Fung (Trading) Limited (“**Li & Fung**”) in June 2000 and he was senior vice president when he left Li & Fung in January 2013.

Length of service

Pursuant to the Director's service contract entered into between the Company and Mr. Mak, his initial current term of office is for a period of three years commenced from 15 March 2022, unless terminated by either party giving to the other not less than one month's prior notice in writing. Mr. Mak is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

As far as the Directors are aware, Mr. Mak does not have any relationships with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Mak holds share options under the Share Option Scheme entitling him to subscribe for 100,000 Shares. Save as disclosed above, Mr. Mak had no interest or short position in any Shares, underlying Shares or debentures of the Company pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract, Mr. Mak is entitled to an annual Director's fee of HK\$168,000. For the year ended 31 March 2024, Mr. Mak's total emoluments were HK\$164,000. Mr. Mak's emoluments are determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no other information of Mr. Mak to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules; and there are no other matters concerning Mr. Mak that need to be brought to the attention of the Shareholders.



EXPERT

EXPERT SYSTEMS HOLDINGS LIMITED

思博系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8319)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of Expert Systems Holdings Limited (the “**Company**”) will be held on Tuesday, 17 September 2024 at 10:30 a.m. at Paragon Creator Space, 4/F, Yau Lee Centre, 45 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong for the purpose of considering the following ordinary business:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditor for the year ended 31 March 2024.
2. To declare a final dividend of HK0.82 cent per ordinary share of the Company for the year ended 31 March 2024 to be paid out of the share premium account of the Company.
3. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorize the board of the Directors to fix its remuneration.
4.
 - (a) To re-elect Mr. Lau Wai Kwok as an executive Director.
 - (b) To re-elect Mr. Wong Chu Kee Daniel as a non-executive Director.
 - (c) To re-elect Mr. Mak Wai Sing as an independent non-executive Director.
5. To authorize the board of the Directors to fix the respective Directors’ remuneration.

NOTICE OF THE 2024 AGM

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company (including any sale or transfer of treasury shares (as defined in the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) (if any) out of treasury) and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted and issued, or otherwise be dealt with (including any sale or transfer of treasury shares (if any) out of treasury) (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of the outstanding conversion rights attached to any convertible securities issued by the Company, which are convertible into shares of the Company;
 - (iii) the exercise of any options granted under the share option scheme(s) adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares in the Company; or
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company (including the sale and/or transfer of treasury shares (if any) out of treasury) in lieu of the whole or part of a dividend in accordance with the Articles from time to time,

NOTICE OF THE 2024 AGM

shall not exceed 20% of the aggregate number of the issued shares of the Company (excluding treasury shares, if any) as at the date of passing this resolution and the said approval shall be limited accordingly;

- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of shares of the Company subject to the limit set out in paragraph (c) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same; and
- (e) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF THE 2024 AGM

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with the applicable laws, rules and regulations, be and is hereby, generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate number of shares of the Company to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of the issued shares of the Company (excluding treasury shares, if any) as at the date of passing this resolution and the said approval shall be limited accordingly;
- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of shares of the Company subject to the limit set out in paragraph (c) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same; and
- (e) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF THE 2024 AGM

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the ordinary resolutions 6 and 7 as set out in this notice convening the Meeting (the “**Notice**”), the general mandate granted to the Directors pursuant to ordinary resolution 6 as set out in the Notice be and is hereby extended by the addition thereto (including any sale or transfer of treasury shares (if any) out of treasury) of a number representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution 7 as set out in this Notice, provided that such number of shares shall not exceed 10% of the number of the issued shares of the Company (excluding treasury shares, if any) as at the date of passing this resolution.”

By Order of the Board
Expert Systems Holdings Limited
Wong Chu Kee Daniel
Chairman and non-executive Director

Hong Kong, 31 July 2024

As at the date of this circular, the Board comprises of (1) Executive Directors: Mr. Lau Wai Kwok, Mr. Chan Kin Mei Stanley, Ms. Lau Tsz Yan and Mr. So Cheuk Wah Benton; (2) Non-executive Directors: Mr. Wong Chu Kee Daniel and Mr. Chu Siu Sum Alex; and (3) Independent non-executive Directors: Mr. Au Yu Chiu Steven, Mr. Ko Man Fu and Mr. Mak Wai Sing.

NOTICE OF THE 2024 AGM

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. In order to be valid, the instrument appointing a proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment or postponement thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting or any adjourned or postponed Meeting if he so wishes and, in such event, the form of proxy previously submitted shall be deemed to be revoked.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned or postponed Meeting or on a poll demanded at the Meeting or any adjournment or postponement thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. To ascertain shareholders' eligibility to attend and vote at the Meeting, the register of members of the Company will be closed from Thursday, 12 September 2024 to Tuesday, 17 September 2024 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the Meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, 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 Wednesday, 11 September 2024.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against ordinary resolution 7 as set out in this notice is set out in Appendix I to the Company's circular dated 31 July 2024.
8. Details of the retiring directors proposed to be re-elected as Directors of the Company at the Meeting are set out in Appendix II to the Company's circular dated 31 July 2024.
9. A form of proxy for use at the Meeting is published on the websites of the Stock Exchange and the Company at www.hkexnews.hk and www.expertsystems.com.hk, respectively.
10. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is hoisted or in effect at or after 7:00 a.m. on the date of the annual general meeting, the Meeting will be postponed. The Company will post an announcement on the Company's website at www.expertsystems.com.hk and the Stock Exchange's website at www.hkexnews.hk to notify the shareholders of the Company of the date, time and place of the rescheduled meeting.