

## **IMPORTANT**

**If you are in any doubt** about this circular, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

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

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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.

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# **TAI CHEUNG HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 88)

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### **Directors:**

David Pun CHAN (*Chairman and Managing Director*)

Ivy Sau Ching CHAN

\* Joseph Wing Siu CHEUNG

\* Karl Chi Leung KWOK

\* Man Sing KWONG

William Wai Lim LAM

Wing Sau LI

### **Registered Office:**

4th Floor North, Cedar House

41 Cedar Avenue

Hamilton HM12

Bermuda

### **Head Office:**

20th Floor

The Hong Kong Club Building

3A Chater Road, Central

Hong Kong

\* *Independent non-executive directors*

20th July 2021

*To the shareholders*

Dear Sir/Madam,

## **PROPOSALS INVOLVING GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING (“AGM”)**

### **INTRODUCTION**

The purpose of this circular is to give you notice of AGM and information relating to (i) the ordinary resolutions to renew the general mandates to repurchase shares and to issue shares; and (ii) the re-election of the retiring directors to be proposed at the forthcoming 2021 AGM.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO REPURCHASE SHARES

A general mandate for repurchase of the Company's own shares was granted by shareholders of the Company (the "Shareholders") at the AGM held on 26th August 2020. This general mandate will lapse at the forthcoming 2021 AGM unless the authority is renewed by ordinary resolution at that meeting. At the 2021 AGM, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company (the "Directors") to exercise the powers of the Company to repurchase shares of the Company up to a maximum of 61,753,142 shares, being 10% of the aggregate number of shares of the Company in issue at the date of the passing of the resolution (the "Repurchase Mandate") on the basis that no further shares are issued or repurchased prior to the 2021 AGM. The Directors have no present intention to repurchase any shares. Details of the Repurchase Mandate are set out in the ordinary resolution no. 5 in the notice of AGM.

Information relating to the Repurchase Mandate as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is set out in Appendix II hereto.

### GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the 2021 AGM two ordinary resolutions (i) granting to the Directors a general mandate to allot, issue and deal with shares of the Company not exceeding 123,506,285 shares, being 20% of the aggregate number of shares of the Company in issue at the date of the passing of the resolution (the "Issue Mandate") on the basis that no further shares are issued or repurchased prior to the 2021 AGM; and (ii) extending the Issue Mandate by adding to it the number of shares repurchased by the Company under the Repurchase Mandate. The Issue Mandate will provide the Company the flexibility to make such issue when appropriate and beneficial to the Company. The Directors have no immediate plans to issue new shares. Details of the Issue Mandate and extension of the Issue Mandate are set out in the ordinary resolutions no. 6 and 7 respectively in the notice of AGM.

### ANNUAL GENERAL MEETING

Notice of AGM is set out on pages 8 to 10 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to be present at the meeting you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding that meeting.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish and in such event, the form of proxy will be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the 2021 AGM will exercise his power under Bye-law 63(a) of the Company's Bye-laws to put each of the resolutions to be proposed at the 2021 AGM to the vote by way of a poll.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF THE RETIRING DIRECTORS

The board of directors of the Company (the “Board”) adopted a Director Nomination Policy. The Nomination Committee shall nominate suitable candidates for directorships to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the company’s business, while taking into account of board succession planning consideration and strategies for the ongoing effective performance of the Board as a whole. The ultimate responsibility for selection and appointment of directors rests with the entire Board.

Pursuant to Bye-law 84 of the Company’s Bye-laws, Mr. Karl Chi Leung Kwok and Mr. Man Sing Kwong will retire by rotation at the 2021 AGM and, being eligible, offer themselves for re-election. The Nomination Committee, having reviewed the Board’s composition, nominated Mr. Kwok and Mr. Kwong to the Board for it to recommend to Shareholders for re-election at the AGM. The retiring Directors were assessed by the Nomination Committee against the criteria and provisions set out in the Director Nomination Policy as well as the diversity aspects set out in the Board Diversity Policy.

Each of Mr. Kwok and Mr. Kwong has served as an Independent Non-executive Director of the Company for more than 9 years. Pursuant to code provision A.4.3 of the Corporate Governance Code in Appendix 14 to the Listing Rules, their further appointments should be subject to a separate resolution to be approved by shareholders. During their years of appointment, each of them has demonstrated the attributes of an independent non-executive director by providing independent views and advice and there is no evidence that their tenure have had any impact on their independence.

Further, the Board is of the view that each of Mr. Kwok and Mr. Kwong meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines. The Board is satisfied that each of them has the required character, integrity, independence and experience to fulfill the role of an independent non-executive director. Therefore, the Board recommends both Mr. Kwok and Mr. Kwong for re-election at the 2021 AGM.

Details of the retiring Directors proposed to be re-elected at the AGM that are required to be disclosed under Rule 13.51(2) of the Listing Rules are set out in Appendix I hereto.

### RECOMMENDATION

The Board considers that the resolutions set out in the notice of AGM are all in the interests of the Company and its Shareholders. The Board would recommend that all Shareholders should vote in favour of the proposed resolutions.

Yours faithfully,  
**David Pun Chan**  
*Chairman*

Details of the retiring Directors proposed to be re-elected at the 2021 AGM are provided below:

**Mr. Karl Chi Leung Kwok**, BA MBA BBS MH, aged 72, is an Independent Non-executive Director of the Company and has been a Director since 1983. Mr. Kwok is also the Chairman of the Audit Committee and Remuneration Committee, a member of the Nomination Committee and a director of certain subsidiaries of the Company. He is the Chairman of Wing On Company International Limited, a listed company. Mr. Kwok has more than 30 years' management experience in the banking and finance businesses. Mr. Kwok has an interest of 282,462 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Man Sing Kwong**, BSc, aged 74, has been an Independent Non-executive Director of the Company since 2006. Mr. Kwong is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He does not hold other directorships in the Company's group of companies. He did not hold other directorships in listed companies in the last three years. Mr. Kwong was with PricewaterhouseCoopers, Certified Public Accountants for more than 32 years, of which he was an audit partner since 1980 until he retired from the firm on 30th June 2002. Mr. Kwong does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Each of the above Directors are not connected with any Directors, senior management or substantial or controlling shareholders of the Company. Under a letter of appointment entered into between each of the above Directors and the Company for service as director, each of the Directors does not have fixed term of service with the Company and is subject to retirement by rotation and re-election at an AGM of the Company in accordance with the Company's Bye-laws. They receive directors' fees as approved from time to time by shareholders at AGM of the Company (2020: HK\$200,000 for each Director). The basis of determining the directors' fees is by reference to the level of fees of similar nature normally paid by a listed company in Hong Kong to its directors. Other than the directors' fees as mentioned above, they do not receive any director's emolument. Save as disclosed above, there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with the re-election of the above Directors and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

This explanatory statement contains all the information required by the Listing Rules on repurchase of shares:

**Share Capital**

As at 13th July 2021, being the latest practicable date prior to the printing of this circular, the issued share capital of the Company comprised 617,531,425 shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate and on the basis that no further shares are issued or repurchased prior to the 2021 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 61,753,142 shares, being 10% of the aggregate number of shares of the Company in issue at the date of the passing of the resolution.

**Shareholders' Approval**

All repurchase of shares must be approved by Shareholders in advance by means of an ordinary resolution, either by way of a general mandate or by specific resolution in relation to specific transactions.

**Reason for the Repurchase**

Repurchase of shares will only be made when the Directors consider that it will benefit the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share.

**Source of Funds**

Repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum of Association and Bye-laws of the Company and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either capital paid up on the shares to be repurchased, or the profits that would otherwise be available for dividends or distribution or the proceeds of a fresh issue of shares made for that purpose. The premiums payable on repurchase must only be paid out of either the profits that would otherwise be available for dividends or out of the share premium or contributed surplus account of the Company. It is envisaged that any repurchase of shares by the Company would be financed out of the same sources of fund as above described.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31st March 2021) in the event that the proposed Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**Restrictions for the Repurchase**

A maximum of 10% of the fully paid-up issued shares of the Company at the date of the passing of the resolution authorizing the repurchase mandate may be repurchased on market.

**Disclosure of Interests**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates have any present intention to sell any shares to the Company under the proposed Repurchase Mandate if such is approved by the Shareholders.

The Company has not been notified by any “core connected persons” (as defined in the Listing Rules) that they have a present intention to sell any shares to the Company, or that they have undertaken not to do so, in the event that the proposed Repurchase Mandate is approved by the Shareholders.

**Effect of the Code on Takeovers and Mergers (the “Takeovers Code”)**

As at 13th July 2021, being the latest practicable date prior to the printing of this circular, Mr. David Pun Chan together with his parties acting in concert (i.e. including Ms. Ivy Sau Ching Chan) were interested in 296,782,131 shares, representing approximately 48.06% of the issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, their collective shareholdings would be increased to approximately 53.40%, the resultant increase in voting rights held by Mr. David Pun Chan and parties acting in concert with him will give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such extent as would give rise to such an offer obligation. The Directors do not propose to repurchase shares to such an extent as to result in less than 25% of the shares in public hands.

The Directors have undertaken to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the applicable laws of Bermuda and the Listing Rules.

**Repurchase Made by the Company**

The Company has not purchased any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

**Share Prices**

The highest and lowest prices at which the shares of the Company have traded on the Stock Exchange in the past twelve months were as follows:

	<b>Share Prices</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
July 2020	5.05	4.85
August 2020	4.95	4.83
September 2020	4.92	4.62
October 2020	4.72	4.51
November 2020	4.75	4.49
December 2020	4.90	4.59
January 2021	4.90	4.57
February 2021	5.25	4.65
March 2021	5.35	4.85
April 2021	5.06	4.82
May 2021	4.93	4.67
June 2021	4.95	4.70
July 2021 (up to 13th July 2021)	5.09	4.90

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## NOTICE OF ANNUAL GENERAL MEETING

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# TAI CHEUNG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock Code: 88)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the Sung Room, 4th Floor, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Thursday, 26th August 2021 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited Consolidated Financial Statements and the Reports of the Directors and Auditor for the year ended 31st March 2021.
2. To declare a final dividend.
3. To elect Directors and fix the Directors' fees.
4. To appoint Auditor and fix their remuneration.

As special business, to consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

### ORDINARY RESOLUTIONS

5. **“THAT:**
  - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the aggregate number of shares of the Company which the Directors are authorized to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10 per cent. of the aggregate number of shares of the Company in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
  - (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
    - (i) the conclusion of the next annual general meeting of the Company; or
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
    - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”



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## NOTICE OF ANNUAL GENERAL MEETING

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6. **“THAT:**
- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends in accordance with the Bye-laws of the Company from time to time; or (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any securities which carry rights to subscribe for or are convertible into shares of the Company; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate number of shares of the Company in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
  - (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
    - (i) the conclusion of the next annual general meeting of the Company; or
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
    - (iii) the date on which the authority set out in this Resolution is revoked or varied 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 the holders of shares of the Company on the register of members of the Company (and, where appropriate to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** subject to the passing of Ordinary Resolutions Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue and deal with any unissued shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 5 set out in the notice convening this meeting, provided that such extended number shall not exceed 10 per cent. of the aggregate number of shares of the Company in issue as at the date of the passing of the said Resolution.”

By Order of the Board  
**Kit Yan Luk**  
Company Secretary

Hong Kong, 20th July 2021

*Notes:*

1. Any Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.
2. The form of proxy must be deposited at the Investor Centre of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Annual General Meeting.
3. The register of members of the Company will be closed during the following periods:
  - (i) from Monday, 23rd August 2021 to Thursday, 26th August 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the transfer office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20th August 2021.
  - (ii) from Friday, 3rd September 2021 to Tuesday, 7th September 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed dividend, all transfers accompanied by the relevant share certificates must be lodged with the transfer office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 2nd September 2021.
4. At the Annual General Meeting, the Chairman of the meeting will exercise his power under Bye-law 63(a) of the Bye-laws of the Company to put each of the above resolutions to the vote by way of a poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The poll results will be published on the websites of the Company and Hong Kong Exchanges and Clearing Limited on 26th August 2021 following the conclusion of the meeting.

### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the coronavirus pandemic situation and the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (the "Regulation"), the Company will implement the following precautionary measures at the Annual General Meeting to safeguard the health and safety of all attendees:

- (i) attendees will be accommodated in the main room, separate rooms or partitioned areas with video and audio link facilities, with not more than the maximum number of persons in each room or partitioned area as allowed by the Regulation;
- (ii) seating at the meeting venue will be arranged so as to allow for appropriate social distancing and as such, there will be limited capacity for shareholders to attend the Annual General Meeting. For compliance reason, the Company will have to limit the number of attendees at the Annual General Meeting and possibly not all attendees could be accommodated;
- (iii) there will be no distribution of gifts and refreshments; and
- (iv) compulsory body temperature screening and always wearing of surgical face mask at the meeting venue are applicable to all attendees. The Company may implement additional precautionary measures when necessary. Any attendee who declines any of the precautionary measures will be refused admission to the meeting venue.

**For health and safety reasons, the Company reminds shareholders to consider carefully the risk of attending the Annual General Meeting which is to be held in an enclosed environment and strongly advises shareholders to appoint the Chairman of the meeting as their proxy to vote on the relevant resolution(s) as an alternative to attending the meeting in person.**