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

If you have sold or transferred all your shares in Kantone Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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KANTONE HOLDINGS LIMITED

看通集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1059)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS
AND ELECTION OF NEW DIRECTORS,
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

Precautionary Measures for the Annual General Meeting

Please take special note of page 1 of this circular for the measures to be implemented to prevent the spreading of novel coronavirus at the AGM.

A notice for convening the annual general meeting of Kantone Holdings Limited to be held at Room 3601, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Thursday, 30 December 2021 at 4:00 p.m. is set out on pages 17 to 21 of this circular. Whether you are able to attend the annual general meeting of the Company or not, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting of the Company (i.e. at or before 4:00 p.m. on Tuesday, 28 December 2021 (Hong Kong time) or any adjournment thereof (as the case may be)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting of the Company or any adjourned meeting (as the case may be) if you so wish and in such event, the form of proxy shall be deemed to be revoked.

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PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing novel coronavirus (COVID-19) epidemic and recent guidelines for prevention and control of its spread, the Company will implement the following precautionary measures at the AGM to protect the Shareholders, staff and other stakeholders who attend the AGM from the risk of infection:

- (i) seating at the AGM venue will be arranged so as to allow for appropriate social distancing. As a result, there will be limited capacity for Shareholders, proxies and other attendees to attend the AGM. The Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.
- (ii) a compulsory body temperature check will be conducted on every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.3 degrees Celsius, or any individual who has any flu-like symptoms or is otherwise unwell will not be admitted to the AGM venue.
- (iii) every attendee is required to wear a face mask at all times within the AGM venue.
- (iv) any person who has travelled outside Hong Kong within 21 days immediately before the AGM (the “recent travel history”), is subject to quarantine or self-quarantine in relation to the COVID-19, or has close contact with any person under quarantine or with the recent travel history should not attend the AGM.
- (v) any attendee who declines any of the abovementioned measures will be refused admission to the AGM venue.
- (vi) no food or beverages will be provided at the AGM.

In the interest of all stakeholders’ health and safety and in accordance with recent guidelines for prevention and control of the spread of COVID-19 epidemic, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, the Shareholders may complete the proxy forms and appoint the chairperson of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

The proxy forms are despatched to the Shareholders together with this circular, and can otherwise be downloaded from the websites of the Company at www.tricor.com.hk/web/service/01059 or the Stock Exchange at www.hkexnews.hk. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult your banks, brokers or custodians (as the case may be) directly to assist you in the appointment of proxy.

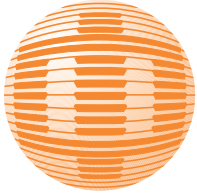
DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room 3601, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Thursday, 30 December 2021 at 4:00 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 17 to 21 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associates”	having the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Buy-back Mandate”	a general mandate proposed to be granted to the Directors at the AGM to buy back Shares not exceeding 10% of the total number of the issued Shares as at the date of the passing of the relevant resolution
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as modified from time to time
“Company”	Kantone Holdings Limited (Stock Code: 1059), a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares, not exceeding 20% of the total number of the issued Shares as at the date of the passing of the relevant resolution

DEFINITIONS

“Latest Practicable Date”	26 November 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“PRC”	the People’s Republic of China which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.



KANTONE HOLDINGS LIMITED

看通集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1059)

Executive Directors:

Ms. WONG Man Winny (*Chairperson*)

Mr. WU Yunjing

Non-executive Directors:

Mr. LIU Ka Lim

Ms. TO Yin Fong Cecilica

Independent Non-executive Directors:

Mr. LEUNG Man Fai

Ms. CHUNG Sau Wai Ada

Mr. Clayton IP

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 4215, 42nd Floor

Hong Kong Plaza

No. 188 Connaught Road West

Hong Kong

30 November 2021

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS
AND ELECTION OF NEW DIRECTORS,
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice and the information in respect of (i) the re-election of Directors and election of new Directors; (ii) the granting to the Directors of the Issue Mandate; (iii) the granting to the Directors of the Buy-back Mandate; and (iv) the extension of the Issue Mandate to include Shares bought back under the Buy-back Mandate.

This circular contains an explanatory statement and gives all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to approve the Buy-back Mandate.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS AND ELECTION OF NEW DIRECTORS

The Board currently consists of seven Directors, namely Ms. Wong Man Winny, Mr. Wu Yunjing, Mr. Liu Ka Lim, Ms. To Yin Fong Cecilica, Mr. Leung Man Fai, Ms. Chung Sau Wai Ada and Mr. Clayton Ip.

According to article 87(2) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Reference is made to the announcements dated 25 August 2021 (the “**Joint Announcement**”), 15 September 2021, 20 October 2021, 9 November 2021 and 16 November 2021 jointly issued by, among others, the Company and Innovative City Investments Limited (the “**Offeror**”) in relation to the mandatory general offer made by Kingston Securities Limited for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or to be acquired by the Offeror and parties acting in concert with it) (the “**Offer**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

Under Rule 7 of the Takeovers Code, except with the consent of the Executive, the directors of an offeree company should not resign until the first closing date of the offer.

Pursuant to article 87(1) of the Articles of Association, Mr. Liu Ka Lim and Ms. Chung Sau Wai Ada will retire by rotation at the AGM and each of them, being eligible, will offer themselves for re-election at the AGM. Mr. Clayton Ip, being the third Director who shall retire by rotation at the AGM, and Ms. Wong Man Winny who wishes to retire, have informed the Board their intention to retire and not to offer themselves for re-election at the AGM, if the AGM takes place on or after the first closing date of the Offer. If the AGM takes place before the first closing date of the Offer, except with the consent of the Executive, Mr. Clayton Ip will offer himself for re-election at the AGM and the relevant resolution will be proposed at the AGM, and Ms. Wong Man Winny will not retire at the AGM.

Mr. Wu Yunjing, who was appointed by the Board on 30 March 2021, will hold office until the conclusion of the AGM pursuant to article 86(3) of the Articles of Association and have informed the Board his intention to not offer himself for re-election at the AGM, if the AGM takes place on or after the first closing date of the Offer. If the AGM takes place before the first closing date of the Offer, except with the consent of the Executive, Mr. Wu Yunjing will offer himself for re-election at the AGM and the relevant resolution will be proposed at the AGM.

Each of Ms. Wong Man Winny, Mr. Clayton Ip and Mr. Wu Yunjing confirmed that they have no disagreement with the Board and there are no other matters that need to be brought to the attention of the Shareholders in relation to their proposed cessation of office.

LETTER FROM THE BOARD

Under Rule 26.4 of the Takeovers Code, except with the consent of the Executive, no nominee of an offeror or persons acting in concert with it may be appointed to the board of the offeree company or any of its subsidiaries, until the offer document has been posted. The Offeror intends that Mr. Chan Koon Wa (“**Mr. Chan**”), the sole director of the Offeror and the controlling Shareholder, be appointed as an executive Director and the Chairman of the Board of the Company on a date which is no earlier than such date as permitted under the Takeovers Code i.e. the date of despatch of the composite offer and response document in relation to the Offer (the “**Composite Document**”). As at the Latest Practicable Date, the Composite Document has not yet been despatched.

Accordingly, pursuant to articles 86(2) and 88 of the Articles of Association and subject to the AGM taking place on or after the date of despatch of the Composite Document, the Board recommends Mr. Chan to be appointed as an executive Director and the relevant resolution will be proposed at the AGM. If the AGM takes place before the date of despatch of the Composite Document, except with the consent of the Executive, the relevant resolution will not be proposed at the AGM.

Further, pursuant to articles 86(2) and 88 of the Articles of Association, regardless of whether the AGM takes place on or before or after the date of despatch of the Composite Document, the Board recommends Mr. Ip Wai Lun William (“**Mr. Ip**”), who is not a nominee of or person acting in concert with the Offeror, to be appointed as an independent non-executive Director and the relevant resolution will be proposed at the AGM.

Subject to Mr. Chan and Mr. Ip being elected as new Directors at the AGM, Mr. Chan will be an executive Director and Chairman of the Board of the Company and Mr. Ip will be an independent non-executive Director with effect from the conclusion of the AGM.

Shareholders are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer including the date of despatch of the Composite Document.

RECOMMENDATION OF THE NOMINATION COMMITTEE

The Nomination Committee had evaluated the performance of each of the retiring Directors and found each of them valuable to the Board. In reviewing the structure of the Board, the Nomination Committee had also considered a range of diversity perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, as set out in the board diversity policy of the Company for nominating talented and capable person(s) to lead the Company. It is believed that the continuous directorships of Mr. Liu Ka Lim, Ms. Chung Sau Wai Ada, Mr. Wu Yunjing and Mr. Clayton Ip can keep bringing valuable contribution to the Board and its diversity. Each of Ms. Chung Sau Wai Ada and Mr. Clayton Ip has also provided a written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rule and confirmed that he/she remains

LETTER FROM THE BOARD

independent. Accordingly, the Board, on the recommendation of the Nomination Committee, proposed that the above retiring Directors to stand for re-election as Directors at the AGM respectively.

The Nomination Committee had also assessed and reviewed the suitability of Mr. Chan and Mr. Ip in being new Directors of the Company based on the board diversity policy of the Company. Taking into account Mr. Chan's extensive management and investment experiences and Mr. Ip's management experience as an independent non-executive director of a company listed on the Stock Exchange, the Nomination Committee and the Board consider that the election of Mr. Chan and Mr. Ip as Directors can complement the professional and management background of the composition of the Board in terms of their expertise in management and financial industry.

In addition, the Nomination Committee and the Board also consider that Mr. Chan and Mr. Ip, respectively, have the relevant working experiences necessary for serving as an executive Director and an independent non-executive Director. Accordingly, the Nomination Committee and the Board recommend Mr. Chan and Mr. Ip to be appointed as Directors. Mr. Ip has also provided a written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rule and confirmed his independence.

Particulars of the above retiring Directors proposed to be re-elected and new Directors proposed to be elected at the AGM that are required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

As at the Latest Practicable Date, the total number of Shares in issue was 217,038,506 Shares.

Subject to the passing of the proposed ordinary resolution approving the grant of the Issue Mandate and assuming that no further Shares are issued or bought back from the Latest Practicable Date up to the date of the AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 43,407,701 Shares, being 20% of the issued Shares as at the date of passing of the resolution.

Subject to the passing of the proposed ordinary resolution approving the grant of the Buy-back Mandate and assuming that no further Shares are issued or bought back from the Latest Practicable Date up to the date of the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 21,703,850 Shares, being 10% of the issued Shares as at the date of passing of the resolution.

Conditional upon the above resolutions being passed, an ordinary resolution will be proposed to extend the number of Shares under the Issue Mandate by including the number of Shares bought back under the Buy-back Mandate. Details of these resolutions are contained in the AGM Notice.

An explanatory statement containing the information relating to the Buy-back Mandate as required by the Listing Rules is set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

The AGM Notice is set out on pages 17 to 21 of this circular. All the resolutions as set out in the AGM Notice will be proposed at the AGM.

Under Rule 26.4 of the Takeovers Code, except with the consent of the Executive, an offeror and parties acting in concert with it shall not exercise offeree company voting rights until the offer document has been posted.

Accordingly, if the AGM takes place before the date of despatch of the Composite Document, except with the consent of the Executive, Mr. Chan and parties acting in concert with him shall not exercise the voting rights at the AGM in respect of the Shares held by the Offeror. As at the Latest Practicable Date, Mr. Chan and parties acting in concert with him are interested in a total of 128,137,958 Shares, representing approximately 59.04% of the entire issued share capital of the Company. To the best of the knowledge, information and belief of the Directors, save as disclosed above, none of the Shareholders are required to abstain from voting on the resolutions put to vote at the AGM.

Shareholders are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offer including the date of despatch of the Composite Document.

A form of proxy for the AGM is enclosed with this circular. Whether you are able to attend the AGM or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. at or before 4:00 p.m. on Tuesday, 28 December 2021 (Hong Kong time) or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The chairperson of the AGM will demand that all resolutions as set out in the AGM Notice be voted upon by way of poll at the AGM and an announcement will be made by the Company after the AGM on the results of the AGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 24 December 2021 to Thursday, 30 December 2021 (both days inclusive) for the purpose of determining the eligibility of the Shareholders to attend and vote at the AGM. During the closure of the register of members of the Company, no transfer of Shares will be effected. In order to qualify for attending and voting at

LETTER FROM THE BOARD

the AGM, all transfers of the Shares accompanied by the relevant certificates, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, no later than 4:30 p.m. on Thursday, 23 December 2021.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairperson, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairperson of the AGM will therefore demand a poll for every resolution put to the vote at the AGM pursuant to the Articles of Association and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the proposed resolutions as set out in the AGM Notice are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

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.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
Kantone Holdings Limited
Wong Man Winny
Chairperson

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

Mr. Liu Ka Lim (“Mr. Liu”), *non-executive Director*

Mr. Liu, aged 65, has been re-designated as a non-executive Director with effect from 23 October 2020. He was an executive Director since October 2016. He has over 30 years of professional experience in the field of finance and accounting. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the Hong Kong Securities and Investment Institute. Mr. Liu was an executive director of Champion Technology Holdings Limited (“**Champion**”), a company listed on the Main Board of The Stock Exchange (stock code: 92) from October 2016 to October 2020 and has been re-designated as a non-executive director of Champion with effect from 23 October 2020. He is also a director of several subsidiaries of the Group. From March 2004 to August 2006, Mr. Liu was the chairperson of Galileo Capital Group Limited (now known as Sun International Group Limited), a company listed on the GEM of the Stock Exchange (stock code: 8029). From October 2003 to March 2006, Mr. Liu was the chairperson of Wonderful World Holdings Limited (now known as Good Resources Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 109). From January 2011 to June 2013, Mr. Liu was a non-executive director of United Pacific Industries Limited (now known as Superactive Group Company Limited), a company listed on the Main Board of the Stock Exchange (stock code: 176).

Mr. Liu entered into a letter of appointment with the Company to act as a non-executive Director and his term of services with the Company is fixed for an initial term of three years commencing from 23 October 2020, which shall be renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of his appointment. His appointment can be terminated by either party giving the other at least three months’ written notice. His appointment is subject to retirement by rotation at the general meetings of the Company in accordance with the Articles of Association and the Listing Rules. Under his letter of appointment, Mr. Liu is not entitled to any director’s fees or salary, subject to the review of the human resources and remuneration committee of the Board from time to time. His emolument was determined by the Board with reference to his experience, duties and responsibilities.

Ms. Chung Sau Wai Ada (“Ms. Chung”), *independent non-executive Director*

Ms. Chung, aged 49, has been appointed as an independent non-executive Director since July 2017. Ms. Chung has extensive experience in auditing and accounting. Ms. Chung held various senior positions in professional firms and commercial field, including accounting manager of a listed company in Hong Kong. Ms. Chung holds a Bachelor of Arts degree from York University and a diploma in accounting from The School of Professional and Continuing Education of The University of Hong Kong. Ms. Chung is a member of the Chartered Professional Accountants of British Columbia, Canada.

Ms. Chung entered into a letter of appointment with the Company to act as an independent non-executive Director and has no fixed term of service with the Company. The letter of appointment may be terminated by either party by written notice of not less than three months. Ms. Chung is subject to retirement by rotation of directors in the annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Ms. Chung is entitled to a director's fee of HK\$120,000 per annum, which has been reviewed and approved by the human resources and remuneration committee of the Company and the Board and is determined with reference to the prevailing range of fees for independent non-executive directors of listed companies in Hong Kong.

Mr. Wu Yunjing (“Mr. Wu”), *executive Director*

Mr. Wu, aged 42, has been appointed as an executive Director since March 2021. He graduated from Yuxiu High School, PingYang County* (平陽縣育秀中學) in Wenzhou, Zhejiang Province, China in the year of 1999. From January 2010 to July 2016, Mr. Wu served as the general manager (China region) of Shenzhen Putian Tongle Information Technology Development Co., Ltd* (深圳市普天同樂信息科技發展有限公司) and was mainly responsible for matters related to the nationwide distribution of Philips mobile phone in China. Mr. Wu was also a committee member of China UnionPay Cloud Flash Pay Service Provider Development Committee* (中國銀聯雲閃付服務商發展委員會) for the period from October 2019 to October 2020. Since August 2016, Mr. Wu has served as the chairman and chief executive officer of Shenzhen Chaomeng Jinfu Technology Information Service Group* (深圳市超盟金服技術信息服務集團).

Mr. Wu has entered into a letter of appointment with the Company to act as executive Director which shall be terminated by either party giving not less than one-month notice in writing to the other party. Mr. Wu is subject to retirement by rotation of directors in the annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mr. Wu shall be entitled to a director's fee in such sum as the human resources and remuneration committee of the Company may from time to time determine.

Mr. Clayton Ip, *independent non-executive Director*

Mr. Clayton Ip, aged 43, has been appointed as an independent non-executive Director since June 2017. Mr. Clayton Ip is a business entrepreneur and has over 10 years of experience in corporate administration, management and investment. Mr. Clayton Ip is specialised in the printing and mini-storages industries.

Mr. Clayton Ip entered into a letter of appointment with the Company to act as an independent non-executive Director and has no fixed term of service with the Company. The letter of appointment may be terminated by either party by written notice of not less than three months. Mr. Clayton Ip is subject to retirement by rotation of directors in the annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mr. Clayton Ip is entitled to a director's fee of HK\$120,000 per annum, which has been reviewed and approved by

the human resources and remuneration committee of the Company and the Board and is determined with reference to the prevailing range of fees for independent non-executive directors of listed companies in Hong Kong.

Details of the Board's proposal upon election and the biographical details of the new Directors proposed to be elected at the AGM are set out as follows:

Mr. Chan Koon Wa (“Mr. Chan”), *proposed executive Director and Chairman of the Board of the Company*

Mr. Chan, aged 59, has over 30 years of experience in the trading and distribution business. In 1990, he started his own business in the automotive industry. From 2008 to 2010, he held around 90% equity interest in Richard Mille Macau Limited, which was the sole agent for Richard Mille in Macau. From 2011 to 2014, he held 55% equity interest in Symphony Lotus Limited, which was an automotive wholesaler and distributor for sports cars and the sole agent for Lotus Cars in the PRC. Apart from actively participating in the trading and distribution industry, Mr. Chan also ventured into the hotel and property development industry. He is currently the director of Golden Bauhinia International Hotel, a 4-star hotel located in Nanning City of Guangxi Province in the PRC. His first venture into property development in Malaysia Kuala Lumpur is a residential development project known as Pavilion Ceylon Hill in which he owns 49% equity stake. The development is currently under construction with completion targeted by the end of 2021. He is also a director of and owns 20% equity interest in Sering Manis Sdn Bhd, which owns 280 acres of freehold land at Pahang, Malaysia, which is about 11 kilometres away from the peak of Genting Highlands. The project is currently in its planning stage. He is also a director of Buddhist Li Chong Yuet Ming Nursing Home for the Elderly, a nursing home in Hong Kong.

As at the Latest Practicable Date, Mr. Chan, through his controlled corporation Innovative City Investments Limited, is interested in 128,137,958 Shares, representing approximately 59.04% of the issued share capital of the Company.

Subject to the approval by the Shareholders of his appointment as executive Director and Chairman of the Board of the Company at the AGM, the Company will enter into a letter of appointment with Mr. Chan without a fixed term, and the letter of appointment can be terminated by either party by written notice of not less than three months. Mr. Chan shall be subjected to retirement by rotation of Directors in the annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mr. Chan shall be entitled to a director's fee in such sum as the human resources and remuneration committee of the Board may from time to time determine.

Mr. Ip Wai Lun William (“Mr. Ip”), *proposed independent non-executive Director*

Mr. Ip, aged 65, has over 26 years of investment banking experience in Asia, with a focus on Greater China and Japan. Mr. Ip was the executive director in the mergers and acquisitions department of SMBC Nikko Securities (Hong Kong) Limited from April 2012 to January 2021. He served as the managing director and head of the investment banking department of Cantor

Fitzgerald (HK) Capital Markets Ltd from 2010 to 2012. Prior to 2010, Mr. Ip has also worked at several major investment banks of Chinese and European background. Mr. Ip is a Chartered Financial Analyst Charterholder of the CFA Institute, USA. Mr. Ip has been a Responsible Officer for Type 6 (including giving advice on matters falling within the ambit of The Codes on Takeovers and Mergers and Share Buy-backs (as amended from time to time)) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Mr. Ip obtained a Bachelor of Science Degree in Economics and a Master of Science Degree in Economics from London School of Economics and Political Science, University of London. He also earned a Master Degree of Business Administration (MBA) from the Wharton School of Finance, University of Pennsylvania. Mr. Ip has been an independent non-executive director of Hopson Development Holdings Limited (Stock code: 754), a company listed on the Main Board of the Stock Exchange, since May 2021.

Subject to the approval by the Shareholders of his appointment as independent non-executive Director at the AGM, the Company will enter into a letter of appointment with Mr. Ip for a period of three years, and the letter of appointment can be terminated by either party by written notice of not less than three months. Mr. Ip shall be subjected to retirement by rotation of Directors in the annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mr. Ip is entitled to a director’s fee of HK\$120,000 per annum, which is determined with reference to the prevailing range of fees for independent non-executive directors of listed companies in Hong Kong.

As confirmed by the above retiring Directors and the new Directors proposed to be elected and save as disclosed above, as at the Latest Practicable Date, the above retiring Directors and the new Directors proposed to be elected (i) do not have, and are not deemed to have any interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company; (ii) have no other relationship with any director, senior management or substantial or controlling shareholder of the Company (each as respectively defined in the Listing Rules); (iii) have not held any directorship in other Hong Kong or overseas listed public companies in the last three years; and (iv) there is no other information that should be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the shareholders of the Company.

The following is an explanatory statement required by Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 217,038,506 Shares.

Subject to the passing of the proposed ordinary resolution approving the grant of the Buy-back Mandate and assuming that no further Shares are issued or bought back from the Latest Practicable Date up to the date of the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 21,703,850 Shares, being 10% of the issued Shares as at the date of passing of the resolution.

The Buy-back Mandate will expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association and the applicable laws; and (c) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. SOURCE OF FUNDS

The Company is empowered by its Memorandum and Articles of Association to repurchase its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of profits or share premium of the Company or out of a fresh issue of shares made for the purpose of the repurchase or, subject to the Company remaining solvent in compliance with the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, subject to the Company remaining solvent in compliance with the Companies Law, out of capital. Under the Cayman Islands law, the repurchased shares may be cancelled and if cancelled, they will remain part of the authorised but unissued share capital of the Company.

The Directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its shares.

3. REASONS FOR BUY-BACKS

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

4. IMPACT OF BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 30 June 2021) in the event that the proposed buy-back of Shares were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to buy back Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

5. SHARES PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last twelve months before the Latest Practicable Date:

	Price per Share	
	Highest HK\$	Lowest HK\$
2020		
November	0.270	0.230
December	0.300	0.247
2021		
January	0.355	0.250
February	0.385	0.250
March	0.400	0.285
April	0.440	0.350
May	0.430	0.300
June	Trading in shares halted	Trading in shares halted
July	Trading in shares halted	Trading in shares halted
August	0.900	0.410
September	0.630	0.460
October	0.580	0.465
November (up to the Latest Practicable Date)	0.690	0.510

6. EFFECT OF THE TAKEOVERS CODE

A buy-back of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder in the voting rights of the Company.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Chan Koon Wa, through Innovative City Investments Limited, held 128,137,958 Shares, representing approximately 59.04% of the issued Shares, was the only substantial shareholder

holding more than 10% of the issued Shares. On the basis that no further Shares are issued or bought back by the Company prior to the AGM and in the event that the Directors exercise in full the power to buy back Shares which is proposed to be granted pursuant to the resolution, its shareholding in the Company would be increased to approximately 65.60% of the issued Shares and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

To the best of the knowledge of the Directors, having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buy-back Mandate is approved by the Shareholders.

8. UNDERTAKING

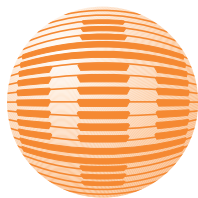
The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make buy-backs of Shares pursuant to the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

9. BUY-BACK OF SHARES MADE BY THE COMPANY

The Company has not bought back any Shares whether on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

10. GENERAL

The Listing Rules prohibit a company from making buy-back on the Stock Exchange if the result of the buy-back would be that less than 25% (or such other prescribed percentage as determined by the Stock Exchange) of the company's issued share capital would be in public hands. The Directors do not intend to buy back Shares which would result the number of Shares held in the public hands falling below the prescribed limit as approved by the Stock Exchange.



KANTONE HOLDINGS LIMITED

看通集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1059)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Kantone Holdings Limited (the “**Company**”) will be held at Room 3601, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Thursday, 30 December 2021 at 4:00 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and independent auditor of the Company for the year ended 30 June 2021.
2.
 - (i) To re-elect Mr. Liu Ka Lim as a non-executive Director;
 - (ii) To re-elect Ms. Chung Sau Wai Ada as an independent non-executive Director;
 - (iii) To elect Mr. Ip Wai Lun William as independent non-executive Director;
 - (iv) Subject to the AGM taking place on or after the date of despatch of the composite offer and response document in relation to the mandatory general offer made by Kingston Securities Limited for and on behalf of Innovative City Investments Limited (the “**Offeror**”) to acquire all the issued shares of the Company (other than those already owned and/or to be acquired by the Offeror and parties acting in concert with it) (the “**Offer**”), to elect Mr. Chan Koon Wa as executive Director and chairman of the board of Directors of the Company;
 - (v) Subject to the AGM taking place before the first closing date of the Offer, to re-elect Mr. Clayton Ip as an independent non-executive Director;
 - (vi) Subject to the AGM taking place before the first closing date of the Offer, to re-elect Mr. Wu Yunjing as an executive Director; and
 - (vii) To authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint Moore Stephens CPA Limited as the auditor of the Company and to authorise the board of Directors to fix their remuneration.

AGM NOTICE

ORDINARY RESOLUTIONS

As special business, to consider and, if thought fit, pass the following resolutions (with or without modification) as ordinary resolutions of the Company:

4. **“THAT:**

- (a) subject to paragraph (c) of this resolution, 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 additional shares of the Company (the “**Shares**”), to grant rights to subscribe for or convert any securities (including bonds, warrants, debentures, notes) into Shares 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) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period 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 total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the grant or exercise of options under any share option scheme of the Company;
 - (iii) the exercise of rights of subscription or conversion under the terms of any securities issued by the Company which are convertible or exercisable into Shares; or
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company from time to time,

shall not exceed 20% of the total number of the issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be allotted and issued under the mandate in paragraph (a) of this resolution as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and

AGM NOTICE

(d) 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (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 holders of Shares or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or class thereof (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 regulatory body or any stock exchange in, any territory outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to buy back its own Shares, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be bought back by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period (as defined below) shall not exceed 10% of the total number of the issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be bought back under the mandate in paragraph (a) of this resolution as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and

AGM NOTICE

(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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (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.”

6. “**THAT** conditional upon the passing of resolutions numbered 4 and 5 as set out in the notice convening the AGM (the “**Notice**”), the general mandate referred to in the resolution numbered 4 as set out in the Notice be and is hereby extended by the addition to the total number of Shares which may be allotted and issued by the Directors pursuant to such general mandate of an amount representing the total number of the Shares bought back by the Company pursuant to the general mandate referred to in the resolution numbered 5 above, provided that such amount shall not exceed 10% of the total number of the issued Shares as at the date of the passing of this resolution.”

By Order of the Board
Kantone Holdings Limited
Wong Man Winny
Chairperson

Hong Kong, 30 November 2021

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:

Unit 4215, 42nd Floor
Hong Kong Plaza
No. 188 Connaught Road West
Hong Kong

AGM NOTICE

Notes:

- (i) The register of members of the Company will be closed from Friday, 24 December 2021 to Thursday, 30 December 2021 (both days inclusive) for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM (or at any adjournment thereof). During the closure of the register of members of the Company, no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM (or at any adjournment thereof), all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 23 December 2021.
- (ii) A member entitled to attend and vote at the AGM (or at any adjournment thereof) is entitled to appoint one proxy or, if he/she/it is a holder of two or more Shares, may appoint more than one proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company.
- (iii) Where there are joint holders of any Share, any one of such joint holder may vote at the AGM (or at any adjournment thereof), either personally or by proxy, in respect of such Share as if he/she/it was solely entitled thereto, but if more than one of such joint holders be present at the AGM (or at any adjournment thereof) personally or by proxy, that the vote of the senior holder 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.
- (iv) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not less than 48 hours before the time appointed for holding the AGM (i.e. at or before 4:00 p.m., on Tuesday, 28 December 2021 (Hong Kong time)) or any adjournment thereof (as the case may be).
- (v) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if he/she/it so desires. If a member of the Company attends the AGM after having deposited the form of proxy, his/her/its form of proxy will be deemed to have been revoked.

As at the date of this notice, the executive Directors are Ms. Wong Man Winny and Mr. Wu Yunjing; the non-executive Directors are Mr. Liu Ka Lim and Ms. To Yin Fong Cecilica; and the independent non-executive Directors are Mr. Leung Man Fai, Ms. Chung Sau Wai Ada and Mr. Clayton Ip.