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If you have sold or transferred all your shares in Café de Coral Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CAFÉ DE CORAL HOLDINGS LIMITED

大家樂集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 341)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES, RE-ELECTION OF DIRECTORS, PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of the Company to be held at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 8 September 2022 at 2:30 p.m. is set out in Appendix I to this circular. A form of proxy for use in connection with the Annual General Meeting is enclosed herewith.

Whether you are able to attend the meeting or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Under the COVID-19 circumstances, the Company is required to implement precautionary measures at the AGM in order to safeguard the health and safety of the attendees and to comply with relevant regulations promulgated by the HKSAR Government. Details of the control measures for the AGM are set out on page 1 of this circular.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The Company shall implement the following prevention and control measures at the AGM in order to safeguard the health and safety of the attendees and to comply with the prevailing requirements or guidelines of the HKSAR Government (the “**Regulations**”) in light of the situation of COVID-19 in Hong Kong:

1. Seating at the AGM venue (“**Venue**”) will be arranged in order to allow appropriate social distancing. In view of the size of the Venue, the Company has to limit the attendance at the AGM to not more than 100 attendees who shall be admitted on a “first-come-first-served” basis.
2. Compulsory body temperature check will be conducted for all attendees. Any person with a body temperature of over 37.5 degrees Celsius or has any COVID-19 symptoms, or is otherwise unwell will not be allowed to enter the Venue.
3. Attendees must bring and wear face masks at the Venue and throughout the AGM.
4. Attendees must comply with the “LeaveHomeSafe” venue QR code scanning and the Vaccine Pass, as well as other applicable requirements under the Regulations.
5. No refreshments or drinks will be served and no corporate gifts will be distributed at the AGM.
6. Any person who does not comply with any of the precautionary measures or is subject to any HKSAR Government prescribed quarantine will be denied entry into the Venue.

Shareholders are requested to follow any guidelines or requirements of the HKSAR Government relating to COVID-19 and not to attend the AGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19. The Company seeks Shareholders’ and attendees’ understanding and cooperation to minimise the spreading of the disease.

As the pandemic situation is constantly evolving and the corresponding regulations are updated from time to time, the Company may be required to adjust or make additional measures for the meeting at short notice. The Company shall inform Shareholders of any updates on the precautionary arrangements necessary for the meeting by way of announcement(s) as and when appropriate.

DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme previously adopted by the Company on 11 September 2012
“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional upon fulfillment of the conditions as set out in the paragraph headed “Conditions precedent of the New Share Option Scheme” in the section headed “Letter from the Board” of this circular
“AGM”	the annual general meeting of the Company to be held at 2:30 p.m. on Thursday, 8 September 2022 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong
“AGM Notice”	the notice convening the AGM as set out in Appendix I to this circular
“associate”	shall have the meaning as defined in the Listing Rules
“Board”	the board of Directors of the Company
“Business Day”	any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities
“Buy-back Mandate”	a general mandate proposed to be granted to the Board to exercise all the powers of the Company to buy back Shares in the manner as set out in the AGM Notice
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Cause”	in relation to a Grantee, having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his/her creditors generally or redundancy
“close associate”	shall have the meaning as defined in the Listing Rules
“Commencement Date”	in respect of any particular Option, the date on which that Option is granted or deemed to have been granted in accordance with the New Share Option Scheme, which must be a Business Day

DEFINITIONS

“Company”	Café de Coral Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“connected person”	shall have the meaning as defined in the Listing Rules
“core connected person”	shall have the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant”	any Employee
“Employee”	any person employed by any member of the Group who has successfully passed their probation period and any person who is a director (whether executive or non-executive) of any member of the Group, which shall include any person who is granted Option(s) as an inducement to enter into employment contract with any member of the Group; for the avoidance of doubt, a Grantee shall not cease to be an Employee only by reason of (a) any leave of absence approved by his/her employing or engaging company; or (b) transfers between the Group or any successor
“Extension of Share Issue Mandate”	a general mandate proposed to be granted to the Board to extend the Share Issue Mandate by adding those Shares that may be bought back under the Buy-back Mandate in the manner as set out in the AGM Notice
“Grantee”	any Eligible Participant who accepts an offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so requires) permitted assignee or the legal personal representative(s) of such Eligible Participant
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSAR Government”	the Government of the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Latest Practicable Date”	28 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Misconduct”	in relation to a Grantee, the Grantee wilfully disobeys a lawful and reasonable order, or misconducts himself/herself, or is guilty of fraud or dishonesty, or is habitually neglectful in his/her duties, or any other events which result in a summary dismissal of his/her employment
“New Share Option Scheme”	the new share option scheme (a summary of the principal terms of which is set out in the Appendix IV to this circular) in its present or any amended form
“Option”	an option to subscribe for Share(s) granted pursuant to the New Share Option Scheme
“Option Period”	in respect of any particular Option, such time period during which the Option may be exercised by the relevant Grantee (which will be determined by the Board and specified to the Grantee thereof at the time of making an offer for the grant of an Option), provided that such period shall not under any circumstances exceed 10 years from the Commencement Date
“SFO”	the 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
“Share Issue Mandate”	a general mandate proposed to be granted to the Board to allot, issue and deal with additional Shares in the manner as set out in the AGM Notice
“Shareholder(s)”	holder(s) of the Share(s)
“substantial shareholder”	shall have the meaning as defined in the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



CAFÉ DE CORAL HOLDINGS LIMITED

大家樂集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 341)

Non-executive Directors:

Mr Lo Hoi Kwong, Sunny (*Chairman*)
Ms Lo Pik Ling, Anita
Mr Chan Yue Kwong, Michael
Mr Hui Tung Wah, Samuel

Registered Office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Independent Non-executive Directors:

Mr Choi Ngai Min, Michael
Mr Li Kwok Sing, Aubrey
Mr Kwok Lam Kwong, Larry
Mr Au Siu Cheung, Albert

Head Office:

10th Floor
Café de Coral Centre
5 Wo Shui Street
Fo Tan, Shatin
New Territories
Hong Kong

Executive Directors:

Mr Lo Tak Shing, Peter (*Chief Executive Officer*)
Mr Lo Ming Shing, Ian

6 July 2022

To Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide information to Shareholders in relation to matters to be dealt with at the AGM, which include the Share Issue Mandate, the Extension of Share Issue Mandate, the Buy-back Mandate, the re-election of retiring Directors and the proposed adoption of the New Share Option Scheme.

* For identification purposes only

LETTER FROM THE BOARD

SHARE ISSUE MANDATE AND EXTENSION OF SHARE ISSUE MANDATE

At the last annual general meeting of the Company held on 6 September 2021, the Directors were granted a general mandate to allot, issue and deal with additional Shares up to an amount not exceeding 10% of the number of issued shares of the Company as at the date of passing of such resolution. Such general mandate will cease to be effective at the conclusion of the AGM.

At the AGM, Shareholders will be asked to consider and if thought fit, pass an ordinary resolution as set out in resolution no. 6 in the AGM Notice to grant to the Directors the Share Issue Mandate to allot, issue and deal with additional Shares up to an amount not exceeding 10% of the number of issued shares of the Company as at the date of passing of such resolution, which is equivalent to 58,570,403 Shares on the assumption that there are no changes to the number of issued shares of the Company from the Latest Practicable Date to the date of the AGM. The Share Issue Mandate will give the Directors greater flexibility to issue securities when it is in the interests of the Company.

The Share Issue Mandate, if approved by the Shareholders, will be effective during the period from the date of the passing of the resolution until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held or the revocation or variation of the authority given under the resolution by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest. Subject to the Shareholders granting the Directors the Buy-back Mandate as set out in resolution no. 7 in the AGM Notice, Shareholders will also be asked to pass an ordinary resolution as set out in resolution no. 8 to extend the Share Issue Mandate by an amount representing the number of issued shares bought back by the Company under the Buy-back Mandate provided that such amount shall not exceed 10% of the number of issued shares of the Company as at the date of passing of such resolution.

BUY-BACK MANDATE

At the last annual general meeting of the Company held on 6 September 2021, a general mandate was given to the Directors to exercise the powers of the Company to buy back Shares up to an amount not exceeding 10% of the number of issued shares of the Company as at the date of granting the mandate. Such mandate will cease to be effective at the conclusion of the AGM.

At the AGM, Shareholders will be asked to consider and if thought fit, pass an ordinary resolution as set out in resolution no. 7 in the AGM Notice to grant to the Directors the Buy-back Mandate to buy back Shares up to an amount not exceeding 10% of the number of issued shares of the Company as at the date of passing of such resolution.

An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Buy-back Mandate, is set out in Appendix II to this circular. Appendix II contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Buy-back Mandate at the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 109(A), one-third of the Directors are subject to retirement by rotation at each annual general meeting. The Listing Rules also requires that every Director shall be subject to retirement by rotation at least once every three years. Accordingly, four Directors, namely, Mr Lo Hoi Kwong, Sunny, Mr Hui Tung Wah, Samuel, Mr Choi Ngai Min, Michael and Mr Kwok Lam Kwong, Larry shall retire by rotation at the AGM and being eligible, are proposed for re-election at the AGM. Biographical details of the retiring Directors proposed for re-election at the AGM are set out in Appendix III to this circular.

Mr Choi Ngai Min, Michael (“**Mr Choi**”) and Mr Kwok Lam Kwong, Larry (“**Mr Kwok**”) have each made an annual confirmation of independence to the Company pursuant to the guidelines as set out in Rule 3.13 of the Listing Rules. Neither of them hold any cross directorships nor have any significant links with other Directors through involvement in other companies or bodies as the Corporate Governance Code set out in Appendix 14 to the Listing Rules specifies.

The Nomination Committee of the Company has assessed the independence of Mr Choi and Mr Kwok based on the criteria, including, inter alia, expression of objective views, provision of independent advice and guidance as well as exercise of independent judgement during the discussion and decision process of the Board. The Nomination Committee is satisfied that Mr Choi and Mr Kwok are of such character, integrity and experience commensurate with office of independent non-executive director and considered them still to be independent. Furthermore, Mr Choi and Mr Kwok have continued to demonstrate their ability to stay impartial and independent during their participation in the affairs of the Board of the Company and the various Committees of the Board they serve notwithstanding the fact that they have served as Independent Non-Executive Directors of the Company for more than nine years.

In proposing re-election of Mr Choi and Mr Kwok at the AGM, the Nomination Committee has considered the desired criteria stipulated in the Company’s nomination procedures for director appointment as well as the diversified objectives under the board diversity policy of the Company (details of which are set out in the Corporate Governance Report in the Company’s Annual Report 2021/22). With Mr Choi’s broad knowledge and experience in the real estate markets in Hong Kong and Mainland China, and Mr Kwok’s in-depth legal knowledge and practices as well as his extensive services and contributions to Government boards and committees, the Nomination Committee considers each of them possessing the skills, experience as well as business acumen and perspectives that are desirable for contributing to diversity of the Board and leading the Company’s development and success.

The Nomination Committee has made recommendation to the Board for proposing re-election of Mr Choi and Mr Kwok as Directors at the AGM. The Board is of the view that the contribution and support from Mr Choi and Mr Kwok to the Board to be invaluable and it is in the best interests of the Company and the Shareholders to re-elect them as Directors of the Company.

The Board consists of four Independent Non-executive Directors, namely, Mr Choi, Mr Li Kwok Sing, Aubrey, Mr Kwok and Mr Au Siu Cheung, Albert and they have served the Board for more than 28 years, 27 years, 17 years and 9 years respectively as at the Latest Practicable Date.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The 2012 Share Option Scheme was adopted pursuant to the ordinary resolution passed by the Shareholders on 11 September 2012 and will expire on 10 September 2022 pursuant to its terms. To enable the Company to continue to grant options to selected participants as incentives or rewards for their contributions to the Group, the Board proposes to adopt the New Share Option Scheme. No options had ever been granted by the Company under the 2012 Share Option Scheme and as such there is no remaining outstanding options under the 2012 Share Option Scheme as at the Latest Practicable Date.

The purpose of the New Share Option Scheme is to attract and retain the best quality personnel for the development of the Group's businesses; provide additional incentives or rewards to selected Eligible Participants for their contribution to the creation of the Company's value; and promote the long term financial success of the Group by aligning the interest of Grantees to those of the Shareholders. The Eligible Participants include any Employees whose contribution are crucial to the success and growth of the Group. In determining whether Options may be granted to an Eligible Participant, the Board will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation or financial performance, prospects and growth of the Group in order to achieve the purpose of the New Share Option Scheme. The Board's discretion to prescribe a vesting period for which an Option must be held or performance target to be achieved before an Option can be vested and become exercisable as well as the requirement for a minimum exercise price of the New Share Option Scheme will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstance of each grant so as to achieve the purpose of the New Share Option Scheme.

The Directors consider that it is not appropriate to disclose the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of such value have not been determined at this stage. Such variables include but are not limited to the exercise price, exercise period, vesting period and other relevant factors (if any). The Board believes that any calculation of the value of any Option as if they had been granted as at the Latest Practicable Date would be based on a number of speculative assumptions and therefore would not be meaningful or representative, and could also potentially be misleading to the Shareholders.

Subject to the adoption of the New Share Option Scheme and the terms of the New Share Option Scheme, the Company presently intends to grant certain Options to certain employees and/or directors of the Group in the coming 12 months after the date of the AGM. Such intended grant will be subject to the vesting period, the exercise price and the number of Options to be granted in accordance with the terms of the New Share Option Scheme and/or performance targets to be achieved and any other terms as the Board may determine in its absolute discretion before an Option become exercisable. The aforementioned intended grant and its terms have yet to be confirmed. The Company will comply with the relevant requirements of the Listing Rules and further announcement will be made by the Company pursuant to Rule 17.06A of the Listing Rules when the terms of the above proposed grant of Options are finalised.

LETTER FROM THE BOARD

No trustee will be appointed under the New Share Option Scheme. None of the Directors is and will be trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee. With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in the Appendix IV to this circular. A copy of the New Share Option Scheme will be published on the Company's website at www.cafedecoral.com and the "HKEXnews" website at www.hkexnews.hk of the Hong Kong Stock Exchange for a period of not less than 14 days before the date of the AGM and is also made available for inspection at the AGM.

Conditions Precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

1. the passing of the resolution by the Shareholders at the AGM to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options pursuant to the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
2. the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under the New Share Option Scheme.

As at the Latest Practicable Date, the issued share capital of the Company comprised of 585,704,033 Shares. Assuming that the issued share capital of the Company will remain unchanged between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may fall to be allotted and issued upon exercise of all Options that may be granted under the New Share Option Scheme and the 2012 Share Option Scheme in aggregate after the resolution authorising the Directors to allot and issue up to 10% of the then issued share capital of the Company has passed at the AGM would be 58,570,403 Shares should the New Share Option Scheme be adopted. In compliance with, and so long as so required by the Listing Rules, the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes must not exceed 30% of the relevant class of securities of the Company in issue from time to time.

Application will be made to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme. The New Share Option Scheme will take effect on the date of its adoption at the AGM subject to such listing approval aforementioned.

VOTING BY POLL

The Chairman of the AGM will demand poll voting for all the resolutions set out in the AGM Notice in accordance with the requirements of the Listing Rules.

LETTER FROM THE BOARD

According to the Bye-laws, on a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all his votes or cast all his votes in the same way. Detailed procedures for conducting a poll will be explained at the commencement of the AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders is required to abstain from voting at the AGM pursuant to the Listing Rules.

The results of the poll voting will be published by way of an announcement on the Company's website at www.cafedecoral.com and the "HKEXnews" website at www.hkexnews.hk of the Hong Kong Stock Exchange.

AGM

The AGM Notice is set out in Appendix I to this circular. A form of proxy for use at the AGM is enclosed with this circular. Whether you are able to attend the meeting or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17 Floor, Hopwell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. 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. In such event, the form of proxy will be deemed to have been revoked.

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.

RECOMMENDATION

The Board considers that all the proposed resolutions as set out in the AGM Notice are in the interests of the Company and its Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Lo Hoi Kwong, Sunny
Chairman

**CAFÉ DE CORAL HOLDINGS LIMITED****大家樂集團有限公司****(Incorporated in Bermuda with limited liability)*

(Stock Code: 341)

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting (the “**Meeting**”) of Café de Coral Holdings Limited (the “**Company**”) will be held at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 8 September 2022 at 2:30 p.m. for the following purposes:

As ordinary business:

1. To receive and adopt the Audited Financial Statements, the Directors’ Report and the Independent Auditor’s Report for the year ended 31 March 2022.
2. To declare a final dividend.
- 3(i) To re-elect Mr Lo Hoi Kwong, Sunny as a Non-executive Director;
- 3(ii) To re-elect Mr Hui Tung Wah, Samuel as a Non-executive Director;
- 3(iii) To re-elect Mr Choi Ngai Min, Michael as an Independent Non-executive Director; and
- 3(iv) To re-elect Mr Kwok Lam Kwong, Larry as an Independent Non-executive Director.
4. To authorise the Board of Directors to fix the remuneration of Directors.
5. To re-appoint PricewaterhouseCoopers as the Auditor of the Company and to authorise the Board of Directors to fix their remuneration.

As special business:

6. To consider and if thought fit, pass the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional shares 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;

** For identification purposes only*

- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which 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) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of rights of subscription or conversion under the terms of any warrant or other securities issued by the Company carrying a right to subscribe for or convert into shares of the Company; or (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to option holders of shares or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement pursuant to the Bye-laws of the Company from time to time, shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this Resolution, and the said approval shall, subject to Resolution No. 8 set out in the notice of this Meeting, be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of 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 Bye-laws of the Company or any applicable law to be held; and
- (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 or an issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors of the Company 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 exclusion or other arrangements as the Directors of the Company 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. To consider and if thought fit, pass the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (which shall have the same meaning for the purpose of this Resolution as given in paragraph (d) of the resolution set out as Resolution No. 6 in the notice of this Meeting) of all powers of the Company to buy back its shares, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved; and
- (b) the aggregate number of shares to be bought back by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly.”

8. To consider and if thought fit, pass the following resolution as an ordinary resolution:

“THAT conditional upon the passing of the Resolution Nos. 6 and 7 in the notice of this Meeting, the general mandate granted to the Directors of the Company pursuant to Resolution No. 6 and for the time being in force to exercise the powers of the Company to allot shares be and is hereby extended by the addition thereto of an amount representing the number of issued shares bought back by the Company under the authority granted by the resolution set out as Resolution No. 7.”

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

“THAT conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares of the Company which may fall to be allotted and issued pursuant to the exercise of any options granted under the new share option scheme (the **“New Share Option Scheme”**) (a copy of which has been presented to this meeting marked “A” and initialled by the chairman of this Meeting for identification purpose), the New Share Option Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorised to grant options and allot, issue and deal in the shares of the Company as may be required to be allotted and issued upon the exercise of any options granted under the New Share Option Scheme; and to take all such steps as may be necessary or expedient to implement the New Share Option Scheme.”

By order of the Board
Vera Leung
Company Secretary

Hong Kong, 6 July 2022

Notes:

1. A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy for use at the Meeting (or at any adjournment thereof) is enclosed in the Company's Annual Report 2021/22. In order to be valid, the form of proxy and the power of authority or other authority (if any) under which it is signed or a notarially certified copy of such power of authority must be deposited at the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. In order to determine the entitlement to attend and vote at the Meeting, the Register of Members of the Company will be closed from 5 September 2022 (Monday) to 8 September 2022 (Thursday), both days inclusive, during which no transfer of shares will be registered. All completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 2 September 2022 (Friday).
4. In order to determine the entitlement to the final dividend, the Register of Members of the Company will be closed on 15 September 2022 (Thursday), on which no transfer of Shares will be registered. All completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 14 September 2022 (Wednesday).
5. A circular to shareholders providing information on the proposals for general mandates to issue shares and to buy back shares, re-election of Directors and the proposed adoption of the New Share Option Scheme is enclosed in the Company's Annual Report 2021/22.
6. If Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force on the date of the Meeting, the Meeting will be held as scheduled. Shareholders should make their own decision as to whether they would attend the Meeting under bad weather conditions and if they should choose to do so, they are advised to exercise care and caution.
7. **Under the COVID-19 circumstances, the Company is required to implement precautionary measures at the AGM in order to safeguard the health and safety of the attendees and to comply with relevant regulations promulgated by the HKSAR Government. Details of the control measures for the AGM are set out on page 1 of the Company's circular to shareholders dated 6 July 2022.**

The following is the explanatory statement required to be sent to the Shareholders pursuant to Rule 10.06 of the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Buy-back Mandate to be proposed at the AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 585,704,033 Shares. Subject to the passing of resolution no. 7 approving the Buy-back Mandate as set out in the AGM Notice and on the basis that no further Shares are issued or bought back after the Latest Practicable Date and up to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 58,570,403 Shares until (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 Bye-laws or any applicable law to be held; and (iii) the revocation or variation by ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

2. REASONS OF BUY-BACKS

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

3. FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda, including capital paid up on the Shares to be bought back, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31 March 2022) in the event that the Buy-back Mandate is exercised in full at any time during the proposed buy-back period. However, the Board does not propose to exercise the Buy-back 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 Board are from time to time be appropriate for the Company.

4. TAKEOVERS CODE

If as a result of buy-back of Shares a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and depending on the level of increase in the Shareholders' interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge and belief of the Company, as at the Latest Practicable Date, the single largest substantial shareholder (as defined under the SFO) of the Company is Mr Lo Tak Shing, Peter who is interested and deemed to be interested in 94,068,564 Shares, representing approximately 16.06% of the issued shares of the Company. On such basis, if the Buy-back Mandate is fully exercised by the Company, there will be an effect of increasing the percentage interest of Mr Lo Tak Shing, Peter to 17.85%. Such increase will not give rise to any obligation under Rule 26 of the Takeovers Code to make a mandatory offer. The Board is also not aware of any other Shareholder which may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code if the Board exercises the powers of the Company to buy back Shares pursuant to the Buy-back Mandate.

5. GENERAL

The Board has undertaken to the Hong Kong Stock Exchange to exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

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

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares held by them to the Company in the event that the Buy-back Mandate is granted by Shareholders.

6. SHARE BUY-BACK MADE BY THE COMPANY

The Company did not buy back any of its Shares (whether on the Hong Kong Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

7. SHARE PRICES

The highest and lowest prices at which the Shares traded on the Hong Kong Stock Exchange in each of the previous 12 months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
June	17.22	15.78
July	16.42	15.06
August	15.58	13.78
September	14.38	13.50
October	14.60	13.90
November	14.38	13.52
December	14.12	13.48
2022		
January	14.10	13.22
February	13.36	11.90
March	13.24	10.58
April	13.90	12.10
May	12.98	11.46
June (up to the Latest Practicable Date)	12.42	11.30

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed for re-election at the AGM.

Mr Lo Hoi Kwong, Sunny

Mr Lo Hoi Kwong, Sunny, aged 66, is the Chairman of the Company and a member of the Nomination Committee. Mr Lo joined the Group in 1982 and had been an Executive Director since 1990 until his re-designation as a Non-executive Director in April 2016. He was the Managing Director of the Company from December 1997 to March 2012 and the Chief Executive Officer from April 2012 to March 2016. As Chairman, Mr Lo is responsible for leading and managing the Board to ensure that the Board effectively operates and fully discharges its responsibilities. Mr Lo holds a Master's Degree in Chemical Engineering from Stanford University. Mr Lo did not hold any directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr Lo is a relative of Mr Lo Tak Shing, Peter (the Chief Executive Officer, an Executive Director and a substantial shareholder* of the Company), Mr Lo Ming Shing, Ian (an Executive Director of the Company), Mr Chan Yue Kwong, Michael (a Non-executive Director of the Company), Mr Lo Hoi Chun and Ms Man Bo King (both being substantial shareholders* of the Company). He is the brother of Ms Lo Pik Ling, Anita (a Non-executive Director of the Company) and the spouse of Ms Tso Po Ping (a substantial shareholder* of the Company). He is a director of Ardley Enterprises (PTC) Limited and Victor Reach Investments Limited, each of which has disclosable interests in the Shares of the Company under the provisions of Part XV of the SFO.

The Company has entered into a letter of appointment with Mr Lo for his role as the Chairman for a further term of two years from 1 April 2022. Pursuant to the letter of appointment, Mr Lo is entitled to an annual fee of HK\$880,000 as the Chairman which was determined by the Board with reference to his duties and responsibilities and the prevailing market conditions. Mr Lo is also entitled to an annual director's fee of HK\$300,000. Details of Mr Lo's emoluments for the year ended 31 March 2022 are set out in note 30 to the consolidated financial statements in the Company's Annual Report 2021/22.

As at the Latest Practicable Date, Mr Lo was interested and deemed to be interested in 64,433,894 Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information relating to Mr Lo required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

** Within the meaning of Part XV of the SFO*

Mr Hui Tung Wah, Samuel

Mr Hui Tung Wah, Samuel, aged 68, joined the Group in 1984 and has been a Non-executive Director of the Company since 1997. Mr Hui is currently a member of the Audit Committee. Mr Hui comes from a strong financial and general management background having spent over 35 years working in senior management positions of major international and local banks and companies in Hong Kong, Australia and Canada. He holds a Bachelor's Degree in Social Sciences from the University of Hong Kong and a Master's Degree in Business Administration from the Brunel University in the United Kingdom. Mr Hui did not hold any directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

The Company has entered into a letter of appointment with Mr Hui under which he is subject to retirement by rotation as required by the Bye-laws and the Listing Rules. Mr Hui is entitled to an annual director's fee of HK\$300,000 which is determined by the Board with reference to his duties and responsibilities and the prevailing market conditions. Details of Mr Hui's emoluments for the year ended 31 March 2022 are set out in note 30 to the consolidated financial statements in the Company's Annual Report 2021/22.

As at the Latest Practicable Date, Mr Hui was interested and deemed to be interested in 25,837 Shares of the Company within the meaning of Part XV of the SFO. Mr Hui does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information relating to Mr Hui required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Choi Ngai Min, Michael

Mr Choi Ngai Min, Michael, BBS, JP, aged 64, has been an Independent Non-executive Director of the Company since 1994 and is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr Choi is a Director and Senior Vice-President of Henderson (China) Investment Company Limited. He has been in the real estate industry for over 40 years with extensive knowledge and experience in the real estate markets in Hong Kong and Mainland China. Currently, he is the Vice-President of the Hong Kong Real Property Federation, a Board Director and a member of Service Governing Committee and Property Development & Maintenance Committee of Haven of Hope Christian Service. Mr Choi graduated from the Business Management Department of the Hong Kong Baptist College and obtained a Master's Degree in Business Administration from the University of East Asia, Macau. Mr Choi did not hold any directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

The Company has entered into a letter of appointment with Mr Choi under which he is subject to retirement by rotation as required by the Bye-laws and the Listing Rules. Mr Choi is entitled to an annual director's fee of HK\$400,000 which is determined by the Board with reference to his duties and responsibilities and the prevailing market conditions. Details of Mr Choi's emoluments for the year ended 31 March 2022 are set out in note 30 to the consolidated financial statements in the Company's Annual Report 2021/22.

As at the Latest Practicable Date, Mr Choi did not have any interest in the Shares of the Company within the meaning of Part XV of the SFO. Mr Choi does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information relating to Mr Choi required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Kwok Lam Kwong, Larry

Mr Kwok Lam Kwong, Larry, SBS, JP, aged 66, has been an Independent Non-executive Director of the Company since July 2004 and is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr Kwok is a practising solicitor in Hong Kong, and is a Partner of Kwok Yih & Chan (“KYC”), Solicitors. Prior to founding KYC, he worked in a number of international law firms, including Baker & McKenzie, Simmons & Simmons (Partner), Andersen Legal (Managing Partner, Greater China), Mallesons Stephen Jaques (Managing Partner, Mainland China and Hong Kong) and King & Wood Mallesons (Managing Partner, Asia Strategy & Markets). Mr Kwok graduated from the University of Sydney, Australia with combined Degrees in accounting/economics and laws respectively as well as a Master’s Degree in laws. He also obtained the Advanced Management Program diploma from the Harvard Business School. He is qualified to practise as a solicitor in Hong Kong, Australia, England and Wales and Singapore. He is also qualified as a Chartered Accountant in England and Wales and a CPA in Hong Kong and Australia.

Mr Kwok has served regularly on Government boards and committees. Previously, he was Chairman of the Transport Advisory Committee, Chairman of the Independent Police Complaints Council, Convenor of the Disciplinary Appeals Committee of the Hong Kong Stock Exchange, Chairman of the Traffic Accident Victims Assistance Advisory Committee, Chairman of the Appeal Board of the Criminal & Law Enforcement Injuries Compensation Boards, Vice-Chairman of the Consumer Council and Deputy Chairman of the Appeal Board under the Consumer Goods Safety Ordinance. Currently, he is a Chairman of the Appeal Tribunal Panel of the Buildings Ordinance (Cap.123) and an arbitrator of the Shenzhen Court of International Arbitration.

Mr Kwok currently serves as an Independent Non-executive Director of Shenwan Hongyuan (H.K.) Limited, Starlite Holdings Limited, AAC Technologies Holdings Inc. and China Oilfield Services Limited and a Non-executive Director of First Shanghai Investments Limited. Mr. Kwok is also a member of the Audit and Risk Committee and the Nomination Committee of AAC Technologies Holdings Inc. as well as chairman of the Remuneration and Assessment Committee and member of the Audit Committee and the Nomination Committee of China Oilfield Services Limited. Shares of all the above companies are listed on the Main Board of the Hong Kong Stock Exchange. Save as disclosed above, Mr Kwok did not hold any directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

The Company has entered into a letter of appointment with Mr Kwok under which he is subject to retirement by rotation as required by the Bye-laws and the Listing Rules. Mr Kwok is entitled to an annual director's fee of HK\$400,000 which is determined by the Board with reference to his duties and responsibilities and the prevailing market conditions. Details of Mr Kwok's emoluments for the year ended 31 March 2022 are set out in note 30 to the consolidated financial statements in the Company's Annual Report 2021/22.

As at the Latest Practicable Date, Mr Kwok did not have any interest in the Shares of the Company within the meaning of Part XV of the SFO. Mr Kwok does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information relating to Mr Kwok required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. Purpose

The purpose of the New Share Option Scheme is:

- (a) to attract and retain the best quality personnel for the development of the Group's businesses;
- (b) to provide additional incentives or rewards to selected Eligible Participants for their contribution to the creation of the Company's value; and
- (c) to promote the long term financial success of the Group by aligning the interest of Grantees to those of the Shareholders.

2. Who may join

On and subject to the terms of the New Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an Option to any Eligible Participant as it may at its absolute discretion select.

3. Administration

The New Share Option Scheme shall be subject to the administration of the Board whose decision shall be final and binding, subject to the provisions of the Listing Rules, applicable laws and other regulations from time to time in force. The Board's administrative powers include, but not limited to, the authority in its discretion to:

- (a) select Eligible Participants to whom Options may be granted;
- (b) determine the time of the grant of Options;
- (c) determine the number of Options;
- (d) approve forms of option agreements setting out the terms on which particular Options are granted;
- (e) determine the terms and conditions of any Option (including but not limited to conditions, restrictions or limitations, vesting period, Option Period, etc.);
- (f) construe and interpret the terms and conditions of the New Share Option Scheme and Options granted pursuant to the New Share Option Scheme;

- (g) prescribe, amend and rescind rules and regulations relating to the New Share Option Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Eligible Participants provided that administration of any such sub-schemes shall follow the requirements of the Listing Rules; and/or
- (h) subject to other provisions of the New Share Option Scheme, vary the terms and conditions of any option agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the New Share Option Scheme).

4. Grant of Option

On and subject to the terms of the New Share Option Scheme and the requirements of the Listing Rules, the Board shall be entitled at any time within 10 years commencing on the Adoption Date to make an offer for the grant of an Option to any Eligible Participant as the Board may in its absolute discretion select.

An offer of the grant of an Option shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine, specifying the number of Shares, the subscription price, the vesting period, the Option Period, the performance target(s) (if any), and the clawback mechanism (if any) in respect of which the offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms and conditions on which it is to be granted and vest, and to be bound by the provisions of the New Share Option Scheme. An offer may only be made on a Business Day.

5. Acceptance of offer for the grant of Options

An offer of the grant of an Option shall remain open for acceptance by the Eligible Participant concerned for a period of 28 days from the date of the offer. No offer shall be capable of or open for acceptance after the expiry of 10 years after the Adoption Date. An offer of the grant of an Option shall have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable. If such remittance is not enclosed, acceptance of an offer shall create a promise by the relevant Grantee to pay to the Company HK\$1.00 on demand.

An offer of the grant of an Option may be accepted in respect of less than the number of Shares which are offered provided that it is accepted in respect of a number of Shares equal to a board lot for the purposes of trading Shares on the Hong Kong Stock Exchange from time to time or an integral multiple thereof.

6. Subscription price

The subscription price payable on exercise of an Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option, and may be fixed at different prices for different periods during which the Option is to be exercised, provided that it shall not be less than whichever is the highest of (a) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the Commencement Date; (b) the average of the closing prices of the Shares on the Hong Kong Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the Commencement Date; and (c) the nominal value of a Share.

7. Performance target

Any grant of Options under the New Share Option Scheme may be subject to a performance target (if any) so as to achieve the purpose of the New Share Option Scheme. The performance target, if any, shall be based on the performance of the Eligible Participant and/or the operating or financial performance of the Group including but not limited to the profit before tax of the Group and/or such other performance target to be determined by the Board in its absolute discretion from time to time, which shall be set out in the relevant offer letter in relation to the grant of Options issued to each selected Eligible Participant.

8. Exercise of Option and vesting period

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the Option Period, by giving notice in writing to the Company, in such manner as the Company may prescribe from time to time, stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given, payable in such manner as the Company may prescribe from time to time. Within 40 days after receipt of the notice and remittance and where appropriate, receipt of the certificate of the auditors or an independent financial adviser, the Company shall allot the relevant Shares to the Grantee credited as fully paid and issue.

An Option shall be held for a minimum period, being the vesting period, and the performance target (if any) must be achieved before it can become vested and exercisable and the vesting period shall be determined by the Board from time to time, subject to the approval of the Remuneration Committee of the Company if so required by the Listing Rules.

All vesting criteria, time and conditions (including the achievement of performance target (if any)) and periods (including the vesting date) shall be set out in the relevant offer letter issued to each selected Eligible Participant.

Initially and subject to otherwise determined by the Board at its absolute discretion at the relevant time for each individual grant of Option, all Options shall vest as follows:

Date of vesting	Percentage of Options in a particular grant
31 July of the third year following the Commencement Date	20%
31 July of the fourth year following the Commencement Date	20%
31 July of the fifth year following the Commencement Date	20%
31 July of the sixth year following the Commencement Date	20%
31 July of the seventh year following the Commencement Date	20% or the balance of the remaining Options, whichever is higher

9. Rights are personal to Grantee

An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, or enter into any agreement so to do. For the avoidance of doubt, and to the extent permissible by the Listing Rules, nothing in this paragraph shall apply to an assignment of any Option by a Grantee to a wholly owned company of such Grantee or to his/her/its nominee, and in each case holding such Option for the sole benefit and at the absolute discretion of the Grantee, and on the basis that the Option so assigned will be reassigned back to the Grantee once the assignee ceased to be a nominee of, and/or wholly owned by the Grantee holding such Option on the aforesaid basis.

10. Ranking of Shares

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided herein or under the relevant laws or the memorandum of association of the Company and the Bye-laws in effect from time to time. The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Bye-laws from time to time in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions declared, recommended or resolved to be paid or made on or after the allotment (as applicable).

11. Restrictions on the time of grant of Options

An offer of the grant of an Option may not be made:

- (a) after inside information has come to knowledge until (and including) the trading day after such inside information has been publicly disseminated in accordance with the Listing Rules;
- (b) on any day on which its financial results are published and:
 - (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) during the period of 30 days or one-month period (whichever is longer) immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

12. Rights on cessation of employment due to death, disablement or retirement

Subject to paragraphs 14 to 18 below, and the absolute discretion of the Board to determine otherwise, an Option shall lapse and not be exercisable (to the extent not already exercised) at the end of the period of six months following the date on which the Grantee ceases to be an Eligible Participant (or within such extended period of time as the Board may in its absolute discretion determines) due to (a) death; (b) total permanent physical or mental disablement; or (c) retirement under normal retirement conditions then prevailing in the Group, or as amended on a generic or case by case basis. In the case of a Grantee ceasing to be an Eligible Participant by reason under sub-paragraphs (a) or (b) above, the Option may be exercised by the legal personal representatives of the Grantee.

13. Rights on cessation of employment other than death, disablement or retirement

Subject to paragraphs 14 to 18 below and the absolute discretion of the Board to determine otherwise, an Option shall lapse immediately and not be exercisable (to the extent not already exercised) on the date on which the Grantee ceases to be an Eligible Participant due to (a) the termination of employment of the Grantee by reason of resignation, whether on notice in accordance with the provisions of his/her contract of employment or with payment in lieu of such notice; or (b) termination of his/her employment on the grounds of Cause.

14. Rights on termination due to the separate listing or sale

If the Board considers that a Grantee has ceased to be an Eligible Participant due to the sale or separate listing of a member of the Group he/she is serving, or if a member of the Group he/she is serving is merged, reorganised or consolidated with another entity (and paragraphs 15 to 17 below do not apply), the Board may at its sole discretion (a) arrange for substitute options or share purchase rights of no less than equivalent fair value, in the purchasing, surviving or newly-listed company; (b) provide cash compensation equivalent to their fair value; (c) waive any conditions as to vesting; or (d) permit the continuation of the Option according to its original terms. If the Board does not make any of the arrangements specified in sub-paragraphs (a) to (d) above, the Option shall immediately lapse.

15. Rights on general offer

If a takeover by way of general offer is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and such offer becomes or is declared unconditional, the Option will immediately vest or otherwise becomes immediately exercisable and the Grantee shall be entitled to exercise the Option at any time until the earlier of the expiry of the term of the Option as set forth in the option agreement or 14 days after the date on which the offer becomes or is declared unconditional following which the Option shall lapse or such longer time as the Board may decide, but no event later than the expiration of the term of such Option as set forth in the grant.

16. Rights on compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with any other company or companies (including a takeover by way of a scheme of arrangement), the Company shall give notice to the Grantees on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise, arrangement or scheme, and thereupon the Options shall vest or otherwise becomes immediately exercisable and the Grantees may, until the expiry of the period commencing on such date and ending on the earlier of the date two (2) calendar months thereafter or the date on which such compromise, scheme or arrangement is sanctioned by the court, exercise the Options (to the extent already vested but not already exercised), and upon such compromise, scheme or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. If the Option is not exercised within the time specified, the Option shall lapse.

17. Rights on voluntary winding-up of the Company

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee shall be entitled to exercise all or part of his/her Option (to the extent not already exercised, irrespective of whether the Option has become exercisable or not) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If the Option is not exercised within the time specified, the Option shall lapse.

18. Misconduct, misstatement in financial statements of the Group and breach of employment contract

In the event the Board determines that the Grantee (a) has committed a Misconduct; (b) is involved in a material misstatement in the Company's financial statements; (c) has committed a breach of the employment contract of the Grantee; or (d) the employment of the Grantee has been terminated on the grounds of Misconduct, the Board may at its absolute discretion forfeit all the outstanding Option granted to the relevant Grantee but not yet vested and exercised without the approval of the relevant Grantee.

19. Lapse of Option

Subject to the discretion of the Board to extend the period within which the Shares must be taken up for particular Option(s) in accordance with the terms of the New Share Option Scheme, whether pursuant to its discretion to determine the rights of a Grantee ceasing to be an Eligible Participant or otherwise, and without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse in any option agreement, an Option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of (a) the Grantee ceasing to be an Eligible Participant; (b) the expiry of the period within which the Shares must be taken up; (c) the expiry of any of the periods referred to in paragraphs 12 to 18; and (d) the date on which the Board certifies that for the reason of a breach of paragraph 9.

20. Cancellation and alteration of Option

Options granted but not exercised or lapsed or forfeited in accordance with the terms of the New Share Option Scheme may be cancelled by the Company with the approval of the relevant Grantee(s). Where the Company cancels Options and offers to make new issues to the same Grantee, the issue of such new Options may only be made under the New Share Option Scheme with available mandate limit within the limits set out in sub-paragraphs 21(a) to (e).

21. Maximum number of Shares available for subscription*(a) Overriding Limit*

Notwithstanding anything to the contrary below, and only to the extent as required by the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the New Share Option Scheme or any other schemes of the Company if this will result in this limit being exceeded.

(b) Mandate Limit

In addition to the limit set out in sub-paragraph 21(a) and prior to the approval of a Refreshed Mandate Limit (as defined below), the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any options or awards under any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the “**Initial Mandate Limit**”), being 58,570,403 Shares (applicable if required under the Listing Rules). Options lapsed in accordance with the terms of the New Share Option Scheme or any other schemes of the Company will not be counted for the purpose of calculating the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be). Options cancelled in accordance with the terms of the New Share Option Scheme or any other schemes shall not be added to replenish the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be).

(c) Refreshing of Mandate Limit

The Company may by ordinary resolution of the Shareholders or, if so required under the Listing Rules, the independent shareholders of the Company, refresh the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be) to the extent permitted by the Listing Rules. However, the total number of Shares which may be issued in respect of all options and awards to be granted under all the schemes of the Company (or, if any, of its subsidiaries) under the scheme mandate limit as refreshed (the “**Refreshed Mandate Limit**”) must not exceed 10% of the Shares in issue as at the date of approval of the Refreshed Mandate Limit.

(d) Granting Options beyond the Mandate Limit

The Board may seek separate approval of the Shareholders in general meeting to grant Options beyond the Initial Mandate Limit or the Refreshed Mandate Limit, provided that the Options in excess of the Initial Mandate Limit or the Refreshed Mandate Limit shall be granted only to such Eligible Participant(s) and for such number and terms specifically identified and determined by the Company before such approval is sought and the Company shall issue a circular to the Shareholders containing all information and details from time to time required by the Hong Kong Stock Exchange in relation to any such proposed grant to such Eligible Participant(s). The date of the board meeting for proposing the grant (which is made subject to such approvals set out in this sub-paragraph) should be taken as the Commencement Date for such grant.

(e) Limit for each Grantee

The total number of Shares issued and to be issued upon exercise of Options (whether exercised or outstanding) together with all other options and awards granted under the New Share Option Scheme and any other schemes of the Company in any 12-month period to each Grantee must not exceed 1% of the Shares in issue. Where any further grant of Options to a Grantee would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person together with all other options and awards (excluding all options and awards lapsed in accordance with the terms of the schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant shall be subject to separate approval by the Shareholders in general meeting with the relevant Grantee and his/her close associates (or associates if the Grantee is a connected person) abstaining from voting. The Company shall issue a circular to the Shareholders containing all information and details from time to time required by the Listing Rules in relation to such approval. The date of the board meeting for proposing the grant (which is made subject to such approvals set out in this sub-paragraph) should be taken as the Commencement Date for such grant.

(f) Grant to a director, chief executive, substantial shareholder or any of their respective associates

Subject to sub-paragraphs (e) and this sub-paragraph, but only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors or, if required by the Listing Rules, the Remuneration Committee of the Company (excluding any Director who is or whose associate is the Eligible Participant to whom the Option is proposed to be granted or is himself/herself an associate of such Eligible Participant).

Insofar and for so long as the Listing Rules so require, no Option may be granted to any substantial shareholder or an independent non-executive Director, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive Director, which would result in the Shares issued and to be issued upon exercise of all Options and other options and awards already granted (excluding those lapsed in accordance with the terms of the scheme) to such person under the New Share Option Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of the offer in respect of such further grant:

- (i) only so far as the Listing Rules may require, representing in aggregate over 0.1% of the number of Shares in issue; and
- (ii) only so far as the Listing Rules may require, having an aggregate value, based on the closing price of the Shares at the date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such further grant, in excess of HK\$5 million,

unless such further grant is approved by the Shareholders in general meeting. At such general meeting, the grant of Options to the substantial shareholder or independent non-executive Director, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive Director shall, for so long and insofar as the Listing Rules so require, be approved by the Shareholders by way of poll with the Grantee, his/her associates and all core connected persons and such other persons as the Listing Rules may require abstaining from voting, except that any connected person may vote against such resolution provided that he or she has informed the Company of his/her intention to do so and such intention has been stated in the relevant circular to Shareholders. A circular must be prepared by the Company explaining the proposed grant, disclosing, among other matters, (i) the number and terms of the Options to be granted, (ii) containing a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee) on whether or not to vote in favour of the proposed grant, (iii) containing information as may be required by the Hong Kong Stock Exchange from time to time.

The date of the board meeting for proposing the further grant (which is made subject to such approvals set out in this sub-paragraph) should be taken as the Commencement Date for such grants.

In addition, for so long and insofar as the Listing Rules so require, any variation in the terms of Option granted to a Grantee who is a substantial shareholder or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders in general meeting with persons who has abstained from voting in approving such grant abstaining from voting.

22. Effects of reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any Option may become or remains exercisable, whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, subdivision, reduction or similar reorganisation of the share capital of the Company, such corresponding adjustment (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised;
- (b) the subscription price;
- (c) the method of exercise of the Option; and/or
- (d) the maximum number of Shares referred to in paragraph 21,

as the auditors or an independent financial adviser shall certify in writing to the Board either generally or as regard to any particular Grantee to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that:

- (i) any such adjustment shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain the same, or as nearly the same as possible as (but shall not be greater than) it was before such event;
- (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (iii) no such adjustment shall be made if the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee is entitled to subscribe pursuant to the Options held by him/her; and
- (iv) any such adjustment shall be made in compliance with Chapter 17 of the Listing Rules and such other guideline or supplementary guidance as may be issued by the Hong Kong Stock Exchange from time to time.

For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

If there has been any alteration in the capital structure of the Company as referred to above, the Company shall inform each Grantee of such alteration and inform the Grantee of the adjustment (if any) to be made in accordance with the certificate of the auditors or an independent financial adviser obtained by the Company for such purpose. In giving such certificate, the auditors or an independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantee.

23. Term of the New Share Option Scheme

The New Share Option Scheme shall be valid and effective for the period commencing on the Adoption Date and expiring on the tenth anniversary thereof or such earlier date as the New Share Option Scheme is terminated in accordance with the terms of the New Share Option Scheme, after which no further Options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the term of the New Share Option Scheme shall continue to be valid in accordance with their terms of grant after the end of the term of the New Share Option Scheme.

24. Alteration to the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by resolution of the Board (including amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the New Share Option Scheme, which are not set out in Chapter 17 of the Listing Rules and the Board's administrative power set out in paragraph 3 above subject to the provisions of the Listing Rules) except that the provisions of the New Share Option Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees or proposed Grantees except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Bye-laws for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, and any change to the terms of the Options granted, shall be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. Any change to the authority of the Board to alter the terms of the New Share Option Scheme shall be approved by the Shareholders.

The amended terms of the New Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

Subject to the Listing Rules and the terms of the New Share Option Scheme, the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an option agreement on compassionate or any other grounds.

25. Termination of the New Share Option Scheme

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered after the New Share Option Scheme is terminated but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid.