
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME OF THE COMPANY
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Kwoon Chung Bus Holdings Limited to be held at Java Room II & III, 2nd Floor, Harbour Plaza North Point, 665 King's Road, North Point, Hong Kong on Tuesday, 23 August 2022 at 2:00 p.m. is set out on pages 46 to 51 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kcbh.com.hk).

If you are not able to attend the Annual General Meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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 (i.e. not later than 2:00 p.m. on Sunday, 21 August 2022) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

Reference to dates and time in this circular are to Hong Kong dates and time.

PRECAUTIONARY MEASURES FOR THE AGM

To safeguard the health and safety of Shareholders and to prevent the spreading of the coronavirus disease 2019 ("COVID-19"), the following precautionary measures will be implemented at the AGM:

- (1) **Compulsory temperature screening/checks;**
- (2) **Compulsory wearing of surgical face mask;**
- (3) **Scanning of the "LeaveHomeSafe" venue QR code and the electronic vaccination QR code, and complying with the requirements of the "Vaccine Pass Direction" defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the laws of Hong Kong);**
- (4) **No refreshments or drinks and no corporate gift will be distributed; and**
- (5) **A designated seat will be assigned at the AGM venue.**

Attendees who do not comply with the precautionary measures referred to in (1) to (3) above may be denied entry to the AGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy and to return their forms of proxy by the time specified herein, instead of attending the AGM in person.

* for identification purposes only

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RESPONSIBILITY STATEMENT

This document, 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 document 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 document misleading.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders who might be attending the AGM in person, the Company would like to advise the Shareholders on the following precautionary measures for the AGM:

(A) Before the meeting

- (1) **Voting by proxy in advance of the AGM:** The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19. For the health and safety of Shareholders, **the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person.** Physical attendance is not necessary for the purpose of exercising Shareholder's rights. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should they subsequently so wish.

The deadline to submit completed forms of proxy is Sunday, 21 August 2022 at 2:00 p.m. Completed forms of proxy must be returned to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The form of proxy can be downloaded from the websites of the Company (<http://www.kcbh.com.hk>) or the Stock Exchange.

- (2) **Appointment of proxy by Non-registered Shareholders:** Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

(B) At the meeting

- (1) Compulsory temperature screening/checks will be carried out by the staff of Harbour Plaza North Point (“Hotel”) on every attendee. Any person with a body temperature of over 37.4 degree Celsius may be denied entry into the AGM venue or be required to leave the AGM venue.
- (2) Each attendee may be asked whether (a) he/she travels outside of Hong Kong within the 14 day period immediately before the AGM; and (b) he/she is subject to any HKSAR Government prescribed quarantine. Anyone who respond positively to any of these questions may be denied entry into the AGM venue or be required to leave the AGM venue.
- (3) Every attendee will be required to wear a surgical face mask throughout the AGM (including queuing for registration).
- (4) Every attendee will be required to scan the “Leave Home Safe” venue QR code and the electronic vaccination QR code, and comply with the requirements of the “Vaccine Pass Direction” defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the laws of Hong Kong).
- (5) Every attendee will be assigned designated seats in order to ensure appropriate social distancing and facilitate close contact tracing. The staff of the Hotel and representatives at the AGM venue will also assist with crowd control and queue management to ensure appropriate social distancing.
- (6) No refreshments, drinks or corporate gift will be served or distributed to attendees at the AGM venue.

Attendees are in addition requested to observe and practise good personal hygiene at all times at the Hotel and/or AGM venue. To the extent permitted by law, the Company reserves the right to deny entry into the Hotel and/or AGM venue or require any person to leave the Hotel and/or AGM venue so as to ensure the health and safety of the attendees at the AGM.

Due to the constantly evolving COVID-19 situation in Hong Kong, the Company may be required to change the AGM arrangements with short notice. Shareholders should check the website of the Company (<http://www.kcbh.com.hk>) for future announcements and updates on the AGM arrangements.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Java Room II & III, 2nd Floor, Harbour Plaza North Point, 665 King’s Road, North Point, Hong Kong on Tuesday, 23 August 2022 at 2:00 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 46 to 51 of this circular, or any adjournment thereof;
“associates”	has the meaning as ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business;
“Bye-laws”	the existing bye-laws of the Company as amended from time to time;
“close associates”	has the meaning as ascribed thereto in the Listing Rules;
“Company”	Kwoon Chung Bus Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning as ascribed thereto in the Listing Rules;
“core connected person(s)”	has the meaning as ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s), including any executive director but excluding any non-executive director and independent non-executive director) of the Group;
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the provisions of the New Share Option Scheme, subject to adjustment in accordance with the New Share Option Scheme;

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“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 23 August 2012;
“Grantee(s)”	Participant(s) who accepted the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Invested Entity”	any entity in which the Group holds any equity interest;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	18 July 2022, 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;
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of principal terms of which is set out in Appendix III to this circular;
“Non-employee Participant(s)”	any individual or entity that is either (i) a consultant or adviser of any member of the Group or any Invested Entity or (ii) an employee (whether full time or part time employee(s), including any executive director, non-executive director and independent non-executive director) of any Invested Entity, who, in the sole opinion of the Board, have contributed or will contribute to the development and growth of the Group or any Invested Entity;
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme;
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme;

DEFINITIONS

“Participant(s)”	any person belonging to any of the following classes of persons: (a) any Eligible Employee; (b) any non-executive director (including independent non-executive directors) of the Group; and (c) Non-employee Participant(s);
“Proposed Amendments”	the proposed amendments to the Bye-laws as set out in Appendix IV to this circular;
“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 issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Share Buy-Back Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	company(ies) which is for the time being subsidiary(ies) (within the meaning of Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as modified from time to time) of the Company, whether incorporated in Hong Kong or elsewhere;
“Substantial Shareholder”	has the meaning as ascribed thereto in the Rule 1.01 of the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers approved by the Securities and Futures Commission in Hong Kong as amended from time to time;
“Trading Day(s)”	day(s) on which Stock Exchange is open for the trading of securities;
“%”	per cent.

LETTER FROM THE BOARD



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

Executive Directors:

Wong Leung Pak, Matthew, *BBS (Chairman)*
Wong Cheuk On, James (*Chief Executive Officer*)
Lo Man Po

Independent Non-executive Directors:

Chan Bing Woon, *SBS, JP*
James Mathew Fong
Chan Fong Kong, Francis

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and

Principal Place of Business:
3rd Floor, 8 Chong Fu Road
Chai Wan
Hong Kong

22 July 2022

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME OF THE COMPANY
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Tuesday, 23 August 2022.

* *for identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term or holding office as the chairman of the Board or the managing director or the chief executive of the Company) shall be subject to retirement by rotation at least once every three years or such other period as the Stock Exchange may from time to time prescribe. The Director(s) to retire by rotation shall be the person(s) who has/have been longest in office since his/their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, the person(s) to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

According to Bye-law 87 of the Bye-laws, Mr. Wong Cheuk On, James and Mr. Chan Bing Woon, *SBS, JP* shall retire by rotation at the Annual General Meeting and being eligible, will offer themselves for re-election at the Annual General Meeting.

Mr. Chan Bing Woon, *SBS, JP*, independent non-executive Director of the Company who has been serving the Company for more than 9 years, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

Mr. Chan attended most of the meetings of the Board and the Board committees held in the past years and the current financial year. Details of the attendance records are set out in the Corporate Governance Report. The relevant Board papers and materials were provided to the Directors for review and consider prior to the meetings. Mr. Chan has remained responsible for his performance functions and discharged his duties to the Company through active participation on the Board and by bringing balance of views as well as knowledge, experience and expertise.

Mr. Chan has confirmed that he will continue to devote sufficient time for the discharge of his functions and responsibilities as an independent non-executive Director of the Company. With his background and experience, Mr. Chan is fully aware of the responsibilities and expected time involvements in the Company. Based on the foregoing, the Board believes that Mr. Chan's position outside the Company will not affect him in maintaining his current role in, and his functions and responsibilities for, the Company.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid independent non-executive Director who is due to retire at the Annual General Meeting. There are no circumstances which are likely to affect the independence as an independent non-executive Director although Mr. Chan has served the Company for more than 9 years. Mr. Chan has

LETTER FROM THE BOARD

not involved in any management role in the Company nor in any relationships which would interfere with the exercise of his independent judgement. The Company considers that the continuous appointment of Mr. Chan as independent non-executive Director will help to maintain the stability of the Board as he will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr. Wong Cheuk On, James and Mr. Chan Bing Woon, *SBS, JP* are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF THE SHARE BUY-BACK MANDATE AND THE ISSUANCE MANDATE

At the annual general meeting of the Company held on 24 August 2021, general mandates were given to the Directors to exercise the powers of the Company to buy back Shares and to issue new Shares respectively. Up to the Latest Practicable Date, such mandates have not been used and, if not used by the date of the Annual General Meeting, will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of the issued Shares as at the date of passing of such resolution (i.e. a total of 47,677,684 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the "Share Buy-Back Mandate");
- (b) to allot, issue or deal with new Shares of not exceeding 20% of the total number of the issued Shares as at the date of passing of such resolution (i.e. a total of 95,355,368 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the "Issuance Mandate"); and
- (c) to extend the Issuance Mandate by adding the number of the Shares bought back by the Company pursuant to the Share Buy-Back Mandate.

The Share Buy-Back Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 8 and 9 of the notice of the Annual General Meeting as set out on pages 46 to 51 of this circular. With reference to the Share Buy-Back Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to buy back any Shares or issue any new Shares pursuant thereto.

LETTER FROM THE BOARD

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Share Buy-Back Mandate. The explanatory statement as required by the Listing Rules in connection with the Share Buy-Back Mandate is set out in Appendix II to this circular.

4. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme allowing the Company to grant share options to Participants for the purpose of providing incentives or rewards to the Participants for their contribution to the Group, valid and effective for a period of 10 years commencing on 23 August 2012. Accordingly, the Existing Share Option Scheme is valid until 22 August 2022. The Directors therefore consider to adopt the New Share Option Scheme at the Annual General Meeting so as to ensure the Company's continuity of providing incentives and/or rewards to the Participants by way of granting options, after the expiry of the Existing Share Option Scheme.

Accordingly, an ordinary resolution will be proposed at the Annual General Meeting to approve the adoption of the New Share Option Scheme.

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme. The Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have discretion in determining the Exercise Price in respect of any Option. The Board is of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole. There will not be any trustees of the New Share Option Scheme.

Comparing with the one-off cash reward, the Board considers that the Options, in form of non-cash reward, will provide incentives for continuous contribution from the Non-employee Participants whom are or will be beneficial to the Group on a continuing and recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group. The Board believes that the success of the Group does not solely depend on the contributions by the employees and directors of the Group, but also the parties who play a part in the development of the business and operations of the Group or any Invested Entity. In particular, the Board is of the view that the grant of the Options is necessary to be wide enough to cover an Invested Entity. While an Invested Entity is not a member of the Group, the Group still has interest in such entities. If an Invested Entity grows well, the Group will directly and indirectly benefit from its growth. The Board considers that:

- (i) for consultant and adviser of any member of the Group or any Invested Entity, the Options will serve as an incentive to draw in such talents who usually possess the expertise or experiences, such as experiences with the industry, or external business connections in the industry, which the employees of the Group may not possess; and

LETTER FROM THE BOARD

- (ii) for employee of any Invested Entity, the Options can serve as a reward to encourage smooth co-operation and better collaboration between the Group and the Invested Entity for pursuing the growth and expansion of the businesses of the Group.

The Board will assess the eligibility of the abovementioned Non-Employee Participants based on the following factors:

- (i) for consultant and adviser of any member of the Group or any Invested Entity, their potential and/or actual contribution to the development, business affairs of and benefits to the Group or any Invested Entity on, including but not limited to, business development and technical support, their working experiences, professional qualifications, knowledge in the industry and other relevant factors (including but not limited to their reputation, credibility, external business connections and strategic value), and their period of engagement, co-operation and business relationship with the Group or any Invested Entity; and
- (ii) for employee of any Invested Entity, their potential and/or actual contribution to the development, business affairs of and benefits to the Group, the business opportunities introduced to the Group, their long-term and sustainable relationship with the Group.

The Board considers that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Participants to acquire proprietary interests in the Company.

Based on the above, the Board considers that the inclusion of Non-employee Participants as the Participants is fair and reasonable and in the interest of the Company and the Shareholders as a whole, and will enable the purposes of the New Share Option Scheme to be achieved.

A summary of the terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 3/F, 8 Chong Fu Road, Chai Wan, Hong Kong during normal business hours from the date hereof up to and including the date of Annual General Meeting.

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

LETTER FROM THE BOARD

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules. The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the Annual General Meeting approving the adoption of the New Share Option Scheme and the allotment and issuance of the Shares upon exercise of the Option(s); and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options that may be granted under the New Share Option Scheme, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution.

Subject to the passing of the ordinary resolution set out in item 11 of the notice of the Annual General Meeting in respect of the adoption of New Share Option Scheme and assuming that the issued share capital of the Company remains at 476,776,842 Shares as at the date of Annual General Meeting, the Company can grant Options to the Participants to subscribe for up to 47,677,684 Shares, representing 10% of the issued share capital of the Company as at the date of Annual General Meeting. As at the Latest Practicable Date, the Board has no plan to grant any Options under the New Share Option Scheme. To the best knowledge of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the proposed adoption of the New Share Option Scheme and, therefore, no Shareholder is required to abstain from voting the said resolution.

An application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may be issued and allotted pursuant to the New Share Option Scheme.

There are certain differences between the principal terms of the Existing Share Option Scheme and the New Share Option Scheme, including but not limited to, the following:

- (1) the definition of the “Eligible Employee(s)” in the New Share Option Scheme does not include independent non-executive of the Group or employee(s) or directors of any Invested Entity; while the Existing Share Option Scheme does;
- (2) the definition of the “Participant(s)” in the New Share Option Scheme does not include any non-executive director (including independent non-executive directors) of the Invested Entity, any supplier of goods or services to any member of the Group or any Invested Entity; any customer of the Group or any Invested Entity; any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity as included in the Existing Share Option Scheme, but has included any individual or entity that is either (i) a consultant or adviser of any member of the Group or any Invested Entity or (ii) an employee (whether full time or part time employee(s), including any executive director, non-executive director and independent non-executive director) of any Invested Entity, who, in the sole opinion of the Board, have contributed or will contribute to the development and growth of the Group or any Invested Entity;

LETTER FROM THE BOARD

- (3) The purpose of the New Share Option Scheme has been further elaborated in the New Share Option Scheme as compared to the Existing Share Option Scheme that the New Share Option Scheme will give the Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives: (i) to motivate the Participants to optimise their performance efficiency for the benefit of the Group and the Invested Entity; and (ii) to attract and retain or otherwise maintain on-going business relationship with the Participants whose contributions are or will be beneficial to the long-term development and growth of the Group and the Invested Entity; and
- (4) the New Share Option Scheme further clarifies the rights of the Grantee regarding cessation to be an Eligible Employee or Participants by reason of death, permanent disability or retirement in accordance with his or her contract of employment.

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 other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date (i.e. not exceeding 47,677,684 Shares on the basis that the total issued capital of the Company as at the Adoption Date is 476,776,842). Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.

The Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme save that 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 other share option schemes of the Company under the limit as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of approval of the limit as “refreshed”. Options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including Options outstanding, cancelled, lapsed or exercised in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the limit as “refreshed”.

The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the limit referred above provided that the Options in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought.

Notwithstanding any to the contrary herein, 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 share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other share option schemes of the Company if this will result in the limit set out herein being exceeded.

As at the Latest Practicable Date, the Company had granted Options for the subscription of a total of 13,500,000 Shares under the Existing Share Option Scheme, of which no Options had been exercised, cancelled or lapsed and 13,500,000 Options remained outstanding. The Directors confirm that prior to the AGM, they will not grant any further Option under the Existing Share Option Scheme. There is no other share option scheme of the Company besides the Existing Share Option Scheme.

LETTER FROM THE BOARD

Under the Existing Share Option Scheme, the Company can grant Options for the subscription of up to 46,168,600 Shares to the Eligible Grantees, the aggregate nominal amount of which representing 10% of the issued share capital of the Company as at the annual general meeting held on 20 August 2019 without taking into account any Shares issued and allotted pursuant to the exercise of Options granted under the Existing Share Option Scheme.

5. PROPOSED AMENDMENTS TO THE BYE-LAWS

The Board proposes to amend the Bye-laws in order to bring the Bye-laws in line with the latest legal and regulatory requirements, including the amendments made to Appendix 3 to the Listing Rules which took effect on 1 January 2022. As such, the Board proposes to seek the approval from the Shareholders by way of passing a special resolution at the Annual General Meeting for the Proposed Amendments for the purposes of, among others, conform to the core standards for shareholder protections in the said Appendix 3 and to incorporate certain housekeeping changes, subject to the passing of the special resolution, with effect from the conclusion of the Annual General Meeting.

The Company and the Board have been advised by its legal advisers (as to Hong Kong law) that the Proposed Amendments conform to the requirements of the Listing Rules and by its legal advisers (as to Bermuda law) that the Proposed Amendments do not violate the laws of Bermuda, respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments to the Bye-laws for a company listed on the Stock Exchange.

For details of the Proposed Amendments, please refer to Appendix IV to this circular.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 46 to 51 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best knowledge of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the proposed resolutions at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kcbh.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 2:00 p.m. on Sunday, 21 August 2022) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

LETTER FROM THE BOARD

7. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the granting of the Share Buy-Back Mandate, the granting/extension of the Issuance Mandate, the adoption of the New Share Option Scheme and the Proposed Amendments are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting), Appendix II (Explanatory Statement on the Share Buy-Back Mandate), Appendix III (Summary of Principal Terms of the New Share Option Scheme) and Appendix IV (Details of Amendments To the Bye-Laws) to this circular.

Yours faithfully,
By order of the Board
Wong Leung Pak, Matthew, BBS
Chairman

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below:

- (1) **Mr. WONG Cheuk On, James**, aged 38, joined the Group in 2011. Mr. Wong is the Chief Executive Officer and an executive Director of the Company. He is responsible for the general management and operations of the Group. Mr. Wong holds a Bachelor's Degree in Mathematics from the University of California, Berkeley, United States and a Master's Degree in Economics from The University of Hong Kong. Mr. Wong is the son of Mr. Wong Leung Pak, Matthew, *BBS* (an executive Director), the brother of Mr. Wong Cheuk Tim, Timothy (a member of senior management of the Group), and the brother-in-law of Mr. Lo Man Po (an executive Director). Mr. Wong is currently a Member of the Tourism Strategy Group under Tourism Commission, Culture, Sports and Tourism Bureau of HKSAR. He is also a Member of Hong Kong Tourism Board and a member of the Board of Directors of the Lantau Development Alliance.

Save as disclosed above, Mr. Wong is not related to any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Wong was interested in 3,585,611 Shares within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies in the last three years. Mr. Wong has not entered into any service contract with the Company and has not been appointed for any fixed term in respect of his appointment as executive Director but is subject to retirement by rotation at least once every three years in accordance with the Bye-laws. Mr. Wong is entitled to annual emoluments of HK\$1,367,000 for his directorship with the Company which include monthly remuneration, pension scheme contributions and a year-end discretionary bonus and is determined by the Board with reference to his duties, responsibilities and the results of the Group. Save for such annual emoluments, Mr. Wong is not entitled to any other emolument for holding his office as the Chief Executive Officer of the Company.

There is no information which is discloseable nor is/was Mr. Wong involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

- (2) **Mr. CHAN Bing Woon**, *SBS, JP*, aged 77, has been an independent non-executive Director of the Company since 1996. Mr. Chan is a Consultant Solicitor and Accredited General Mediator of Yung, Yu, Yuen & Co., Solicitors & Notaries. He has over 45 years' experience in the legal profession. Mr. Chan is involved in numerous public duties including being an advisor of the Joint Mediation Helpline Office, a fellow member of the Hong Kong Institute of Directors, a past chairman of the Hong Kong Mediation Council, a council member of the Hong Kong Society of Notaries and a member of hospital governing committee, Cheshire Home, Chung Hom Kok, Hospital Authority. During the period from 15 March 2014 to 15 August 2019, Mr. Chan was an independent non-executive director of China Regenerative Medicine International Limited, which is listed on the Stock Exchange (stock code: 8158.HK).

Save as disclosed above, Mr. Chan is not and has not been a director of any other listed companies in the last three years.

As far as the Directors are aware, Mr. Chan does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Chan was not interested or deemed to be interested in any shares, underlying shares or debenture of the Company or its associated corporations within the meaning of Part XV of the SFO. According to his service contract with the Company for a term of 2 years from 1 April 2021, Mr. Chan's annual emolument shall be approximately HK\$340,000, which include monthly remuneration and a year-end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications.

There is no information which is discloseable nor is/was Mr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-Back Mandate.

1. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-Back Mandate is in the interests of the Company and the Shareholders.

Share buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Share Buy-Back Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 476,776,842 Shares.

Subject to the passing of the ordinary resolution set out in item 8 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-Back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Share Buy-Back Mandate to buy back a total of 47,677,684 Shares, representing 10% of the total number of the Shares in issue as at the date of the Annual General Meeting, during the period in which the Share Buy-Back Mandate remains in force.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its Memorandum of Association and Bye-laws, the laws of Bermuda and/or any other applicable laws.

The Company is empowered by its Memorandum of Association and Bye-laws to buy back Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share buy-back by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on share buy-back may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company.

APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

4. IMPACT OF SHARE 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 31 March 2022) in the event that the Share Buy-Back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share 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 Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

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

To the best knowledge of the Company, the shareholdings of the substantial shareholders and directors in the Company as at the Latest Practicable Date and upon the exercise of the Share Buy-Back Mandate in full were and will be as follows:

	As at Latest Practicable Date		Immediately upon exercise of Share Buy-Back Mandate in full	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Basic Faith (<i>Note 1</i>)	241,535,555	50.66%	241,535,555	56.29%
Mr. Wong Leung Pak, Matthew, <i>BBS (Note 2)</i>	599,665	0.13%	599,665	0.14%
Mr. Wong Cheuk On, James (<i>Note 3</i>)	3,585,611	0.75%	3,585,611	0.84%
Mr. Lo Man Po (<i>Note 4</i>)	2,297,130	0.48%	2,297,130	0.54%
Cathay International Corporation	109,558,768	22.98%	109,558,768	25.53%
Public Shareholders	119,200,113	25.00%	71,522,429	16.67%
	<u>476,776,842</u>	<u>100.00%</u>	<u>429,099,158</u>	<u>100.00%</u>

APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

Notes:

1. Mr. Wong Leung Pak, Matthew, *BBS* is a director and the ultimate beneficial owner of Basic Faith and is therefore deemed to be interested in 241,535,555 Shares held by Basic Faith.
2. These 599,665 Shares were held by Mr. Wong Leung Pak, Matthew, *BBS* and his spouse, Ms. Ng Lai Yee, Christina jointly.
3. Mr. Wong Cheuk On, James is the son of Mr. Wong Leung Pak, Matthew, *BBS* and an executive Director.
4. Mr. Lo Man Po is the son-in-law of Mr. Wong Leung Pak, Matthew, *BBS* and an executive Director.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, the exercise in full of the Share Buy-Back Mandate will result in the number of shares in the public hands being reduced to less than 25% of the issued share capital of the Company. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-Back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons 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 Share Buy-Back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-Back Mandate in accordance with the Listing Rules and the laws of Bermuda.

APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
July	2.40	2.17
August	2.20	1.97
September	2.23	1.97
October	2.27	2.05
November	2.43	1.97
December	2.32	2.08
2022		
January	2.15	1.88
February	1.94	1.71
March	1.85	1.50
April	2.08	1.75
May	3.20	2.00
June	2.55	2.05
July (up to the Latest Practicable Date)	2.30	2.14

8. SHARE BUY-BACK MADE BY THE COMPANY

During the previous six months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

APPENDIX III SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The following is a summary of principal terms of the New Share Option Scheme to be approved at the Annual General Meeting. It does not form part of, nor is it intended to be part of, the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme required to be included in the New Share Option Scheme as pursuant to the Listing Rules.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity. The New Share Option Scheme will give the Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives: (i) to motivate the Participants to optimise their performance efficiency for the benefit of the Group and the Invested Entity; and (ii) to attract and retain or otherwise maintain on-going business relationship with the Participants whose contributions are or will be beneficial to the long-term development and growth of the Group and the Invested Entity.

2. PARTICIPANTS

The Board may, at its absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares, subject to such conditions as the Board may think fit:

- (a) any Eligible Employee;
- (b) any non-executive director (including independent non-executive directors) of the Group;
and
- (c) Non-employee Participant(s).

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (3.1) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.
- (3.2) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company) to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of the passing of the ordinary resolution (the “General Scheme Limit”).
- (3.3) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.4) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that 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 other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of such limit and for the purpose of calculating the limit as “refreshed”, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of New Share Option Scheme and any other share option schemes of the Company) previously granted under the New Share Option Scheme and any other share option schemes of the Company will not be counted. A circular containing the information required by the Listing Rules will be issued to the Shareholders in connection with seeking Shareholders’ approval for refreshing the General Scheme Limit.
- (3.4) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.3) above, the Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in sub-paragraph (3.3) above to Participants specifically identified by the Company before such approval is sought. A circular containing a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and other information required under the Listing Rules must be sent to the Shareholders.
- (3.5) If the Company conducts a share consolidation or subdivision after the General Scheme Limit or the limit referred to in sub-paragraph (3.3) above has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all Options to be granted under all of the share option schemes of the Company under the General Scheme Limit or the limit referred to in sub-paragraph (3.3) above as a percentage of the total number of Shares in issue on the date immediately before and after such consolidation or subdivision shall be the same.

4. MAXIMUM ENTITLEMENT TO EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each Participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the “Individual Limit”). Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his or her close associates (or his or her associates if the participant is a connected person) abstaining from voting. The number and terms (including the Exercise Price) of Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of Offer for the purpose of calculating the Exercise Price. A circular containing the information required by the Listing Rules will be issued to the Shareholders in connection with seeking Shareholders’ approval for such further grant.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

- (5.1) Any grant of Options under the New Share Option Scheme to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or Substantial Shareholder or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options).
- (5.2) Where any grant of Options to a Substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (a) representing in aggregate over 0.1% of the relevant class of the Shares in issue; and
 - (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders in a general meeting taken on a poll. All Connected Persons of the Company must abstain from voting at such general meeting, except that any Connected Person may vote against the relevant resolution at the general meeting provided that his or her intention to do so has been stated in the relevant circular.

For the purpose of seeking Shareholders’ approval in general meeting under subparagraphs (3.3) and (3.4), paragraph 4 and sub-paragraph (5.2) above, the Company must send a circular to the Shareholders containing the information required under the Listing Rules.

6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An Offer may be accepted by a Participant within 28 days from the Offer Date. A consideration of HK\$1 is payable on acceptance of the Offer. An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the Offer is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof (the “Option Period”).

Unless the Board otherwise determined and stated in the Offer to a Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Board otherwise determined and stated in the Offer to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

8. EXERCISE PRICE FOR SHARES

The Exercise Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the making of the Offer (which shall be stated in the letter containing the Offer) but in any case the Exercise Price shall not be lower than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 Trading Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Exercise Price is fixed at different prices for different periods during the Option Period provided that the Exercise Price for each of the different periods shall not be less than the Exercise Price determined in the manner set out herein.

9. LIFE OF THE NEW SHARE OPTION SCHEME

Subject to paragraph 16, the New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is conditionally adopted by the Company at a general meeting of the Shareholders.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee as the holder thereof.

11. TRANSFERABILITY OF OPTIONS

An Option is personal to the Grantee and shall not be assignable 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 any agreement so to do. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

12. RIGHTS ATTACHING TO OPTIONS**(12.1) Rights on ceasing to be an Eligible Employee**

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, permanent disability or retirement in accordance with his or her contract of employment or termination of employment on one or more grounds referred to in sub-paragraph (12.3) below before exercising his or her Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(12.2) Rights on death

If the Grantee of an Option ceases to be an Eligible Employee by reason of death, permanent disability or retirement (all evidenced to the satisfaction of the Directors) before exercising the Option in full and none of the events which would be a ground for termination of his or her employment on one or more of the grounds specified in sub-paragraph (12.3) below arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

If the Grantee of an Option ceases to be a Participant by reason of death, permanent disability or retirement (all evidenced to the satisfaction of the Directors) before exercising the Option in full and none of the events which would be a ground for termination of his or her relationship with the Group or any Invested Entity on one or more of the grounds specified in sub-paragraph (12.3) below arises prior to his or her death, permanent disability or retirement, the legal personal representative(s) of this Grantee or, as appropriate, the Grantee shall be entitled within a period of 12 months from the date of death, permanent disability or retirement (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

(12.3) Rights on dismissal

If the Grantee of an Option ceases to be a Participant by reason that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an Eligible Employee on any other ground (if so determined by the Board) on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Group, his or her Option will lapse automatically on the date the Grantee ceases to be a Participant. A resolution of the Board or the board of directors of the relevant Subsidiary or the board of directors of the relevant Invested Entity to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding on the Grantee, and where appropriate, his or her legal personal representative(s).

(12.4) Rights on breach of contract

If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(12.5) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner 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, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

If the Grantee of an Option ceases to be an Eligible Employee by reason of death, permanent disability or retirement (all evidenced to the satisfaction of the Directors) before exercising the Option in full and none of the events which would be a ground for termination of his or her employment on one or more of the grounds specified in sub-paragraph (12.3) below arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

(12.6) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee (or where permitted under sub-paragraph (12.2), his or her legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation pari passu with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(12.7) Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its Shareholders or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling 2 calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

13. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the periods or dates referred to in paragraphs 6 and 12; and
- (b) the date on which a breach of the provision of restriction on transfer and assignment of an Option referred to in paragraph 11 is committed.

14. REORGANIZATION OF CAPITAL STRUCTURE

In the event of a capitalization issue of profits or reserves, rights issue, consolidation, subdivision or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Exercise Price; and/or
- (c) the maximum number of Shares referred to in paragraphs 3 and 4,

APPENDIX III SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

as an independent financial adviser or the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustments shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustments shall remain the same as that to which he or she was entitled before such adjustments and no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustments will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustments as provided in this paragraph 14, other than any made on a capitalization issue, the independent financial adviser or auditors of the Company must confirm in writing to the Directors that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

Subject to compliance with the requirements as provided in this paragraph 14, if there is any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company prior to the exercise of the Options, an adjustment to the number of Options shall be made accordingly. The method of adjustment is set out as below:

Conversion of capital reserve into new shares, issue of bonus shares or share subdivision

$$Q = Q0 \times (1 + n)$$

Where: “Q0” represents the number of Options before the adjustment; “n” represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus shares or share subdivision; “Q” represents the number of Options after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q0 \times n$$

Where: “Q0” represents the number of Options before the adjustment; “n” represents the ratio of consolidation or share subdivision or reduction of share capital; “Q” represents the number of Options after the adjustment.

Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: “Q0” represents the number of Options before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Options after the adjustment.

APPENDIX III SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Subject to compliance with the requirements as provided in this paragraph 14, capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company prior to the exercise of the Options, an adjustment to the Exercise Price shall be made accordingly. The method of adjustment is set out below:

Conversion of capital reserve into new shares, issue of bonus shares or share subdivision

$$P = P0 \div (1 + n)$$

Where: "P0" represents the Exercise Price before the adjustment; "n" represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus shares or share subdivision; "P" represents the Exercise Price after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P0 \div n$$

Where: "P0" represents the Exercise Price before the adjustment; "n" represents the ratio of consolidation or share subdivision or reduction of share capital; "P" represents the Exercise Price after the adjustment.

Rights issue

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: "P0" represents Exercise Price before the adjustment; "P1" represents the closing price as at the record date; "P2" represents the Exercise Price of the rights issue; "n" represents the ratio of allotment; "P" represents the Exercise Price after the adjustment.

15. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised shall require approval of the Board and Shareholders in general meeting with the relevant Grantees and their associates abstaining from voting. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme and the Listing Rules. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph 3. For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

16. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

17. ALTERATION OF THE NEW SHARE OPTION SCHEME

(17.1) The New Share Option Scheme may be altered in any aspect by resolution of the Board except that:

- (a) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Participants without the prior approval of the Shareholders in general meeting;
- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme; and
- (c) any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

(17.2) The amended terms of the New Share Option Scheme or the Options must still comply with the requirements of Chapter 17 of the Listing Rules as amended from time to time.

18. RESTRICTIONS ON THE TIME OF GRANT OF OPTION

No offer of any option shall be made by the Board in the following circumstances:

- (a) after inside information (as defined in the SFO as amended from time to time) has come to its knowledge until (and including) the trading day after the Company has announced the information pursuant to the requirements of the Listing Rules; and
- (b) during the period commencing one month immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

(Note: No offer may be made during any period of delay in publishing a results announcement)

The following are the Proposed Amendments (as defined in the letter from the board in this circular). Unless otherwise specified, clauses, paragraphs and bye-law numbers referred to herein are clauses, paragraphs and bye-law numbers of the new bye-laws of the Company. If the serial numbering of the clauses of the existing bye-laws of the Company is changed due to the addition, deletion or rearrangement of certain clauses made in these amendments, the serial numbering of the clauses of the existing bye-laws of the Company as so amended shall be changed accordingly, including cross-references.

Note: The new bye-laws of the Company is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

Clause No. Provisions in the new bye-laws of the Company (only showing changes to the existing byelaws of the Company and where applicable the parts without changes in the following provisions are shown in "...")

1. In these Bye-laws, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

<u>WORD</u>	<u>MEANING</u>
“associate”	shall have the meaning attributed to it in the rules of the Designated Stock Exchange.
“Bye-laws”	these Bye-laws in their present form <u>or</u> as supplemented or amended or substituted from time to time.
“capital”	the share capital <u>of the Company</u> from time to time of the Company.
“close associate”	<u>in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of Bye-law 103 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>

2. ...
- (a) ...
 - (b) ...
 - (c) ...
 - (d) ...
 - (i) ...
 - (ii) ...
 - (e) ...
 - (f) ...
 - (g) ...
 - (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than twenty-one (21) clear days' Notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days' Notice has been given~~Notice has been duly given in accordance with Bye-law 59;
 - (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than fourteen (14) days' Notice has been duly given~~in accordance with Bye-law 59;

- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes;
- (k) a resolution shall be an extraordinary resolution when it has been passed by a majority of not less than two thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59.
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its ~~authorised or~~ issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve ~~in any manner permitted by law~~.
9. (1) Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine.
- (2) ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~

10. Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:
- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum; and
 - (b) every holder of shares of the class shall be entitled ~~on a poll~~ to one vote for every such share held by him; ~~and~~.
 - (c) ~~any holder of shares of the class present in person or by proxy may demand a poll.~~
44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon ~~on every~~during business ~~day~~hours by ~~Members~~members of the public without charge ~~or by any other person, upon a maximum payment of five Bermuda dollars,~~ at the Office or such other place ~~in Bermuda~~ at which the Register is kept in accordance with the Act ~~or, if appropriate, upon a maximum payment of ten dollars at the Registration Office.~~ The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means (electronic or otherwise) in such ~~other~~ manner as may be ~~prescribed or permitted by the rules of~~ accepted by the Designated Stock Exchange, to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

56. ~~An~~Subject to the Act, an annual general meeting of the Company shall be held in each financial year other than the financial year in which its statutory meeting is convened ~~at and~~ such ~~time~~ ~~(annual general meeting must be held within a period of not more than fifteen~~ ~~(15~~six (6) months after the holding end of the ~~last preceding annual general meeting~~ Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board.
58. The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.
59. (1) ~~An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days' Notice~~days. All other ~~special~~ general meetings ~~may~~(including a special general meeting) must be called by Notice of not less than fourteen (14) clear days' Noticedays but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:
- (a) ...
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together ~~holding~~representing not less than ninety-five per cent. (95%) ~~in nominal value of the issued shares giving that right~~total voting rights at the meeting of all the Members.
- (2) The Notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

61. (1) ...
- (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person or ~~by proxy or~~ (in the case of a ~~member~~Member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.
66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a ~~show of hands every Member present in person or by proxy or being a corporation, is present by a representative duly authorised under Section 78 of the Act, shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:~~by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

~~(a)~~ by the chairman of such meeting; or

~~(b)~~(a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

~~(c)~~(b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

~~(d)~~(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.

~~(2) — Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.~~

67. ~~Unless a poll is duly demanded and the demand is not withdrawn~~Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the ~~fact~~facts without proof of the number or proportion of the votes recorded for or against the resolution.

68. ~~If a poll is duly demanded the~~The result of the poll shall be deemed to be the resolution of the meeting ~~at which the poll was demanded~~. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.

69. ~~A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.~~
[Deleted]
70. ~~The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.~~
[Deleted]
73. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Bye-laws or by the Act. In the case of an equality of votes, ~~whether on a show of hands or on a poll~~, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, ~~whether on a show of hands or on a poll~~, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote ~~on a poll~~ by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting ~~or poll~~, as the case may be.
- (2) ...

76. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- (2) All Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.
- (3) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.
78. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. ~~A proxy need not be a Member. A proxy shall be entitled to exercise the same powers on behalf of~~ In addition, a proxy or proxies representing either a Member who is an individual and for whom he acts as proxy as such Member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of ~~for a Member which is a corporation and for which he acts as proxy shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise if it were an individual Member.~~
80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote ~~or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.~~ No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting ~~or on a poll demanded at a meeting or an adjourned meeting~~ in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to ~~demand or join in demanding a poll and to~~ vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
82. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, ~~or the taking of the poll,~~ at which the instrument of proxy is used.
84. (1) Any corporation which is a Member may, by resolution of its directors or other governing body ~~or by power of attorney,~~ authorise such person ~~as it thinks fit~~ to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Bye laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (2) ~~Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its corporate representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company Members provided that, if more than one person is so authorised, the authority~~ the authorisation shall specify the number and class of shares held by the relevant member in respect of which each such person is authorised to act as such corporate representative: is so authorised. Each person so appointed authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the corporation which he represents as that corporation could exercise clearing house (or its nominee(s)) as if it were an individual Member such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands notwithstanding the provisions of this Bye-law 66. The number of persons a corporation may authorise to act as its corporate representative or representatives shall not exceed the number of shares held by that corporation (or its nominee), being shares in respect of which there is an entitlement to attend and vote at the relevant meeting.

- (3) Any reference in these Bye laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law.
85. (1) Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly- or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive ~~Notice~~notice of and to attend and ~~vote~~vote at general meetings of the Company shall, for the purposes of these Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.
- (2) ...
86. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at the annual general meeting in accordance with Bye-law 87 or at any special general meeting called for such purpose and who shall hold office until the next appointment for such term as the Members may determine or, in the absence of Directors such determination, in accordance with Bye-law 87 or until their successors are elected or appointed or their office is otherwise vacated. Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.
- (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed ~~by the Board~~ shall hold office ~~only~~ until the next following annual general meeting of the Company and shall then be eligible for re-election ~~at that meeting~~.
- (3) ...

- (4) ~~Subject to any provision to the contrary in these Bye-laws, the~~The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.
- (5) ...
- (6) ...
87. (1) ~~Unless and until the Company~~Notwithstanding any other provisions in a general meeting shall otherwise determinethe Bye-laws, at each annual general meeting onethird of the Directors for the time being; ~~(or, if their number is not three or a multiple of three, then (3), the number nearest to but not less than one-third)~~ shall retire from office by rotation, provided that every Director ~~(including those appointed for a specific term or holding office as the Chairman of the Board or the Managing Director or the chief executive of the Company)~~ shall be subject to retirement ~~by rotation~~ at least once every three years or such other period as the Designated Stock Exchange may from time to time prescribe.
- (2) ...
103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) ~~any contract or arrangement for the giving of any security or indemnity either:-~~
- (i)(a) ~~to sue~~the Director or his close associate(s) ~~any security or indemnity~~ in respect of money lent ~~by him or any of his associates~~ or obligations incurred or undertaken by him or any of his ~~associates~~them at the request of or for the benefit of the Company or any of its subsidiaries; or

- ~~(ii)(b)~~ any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- ~~(iii)(ii)~~ any ~~contract or arrangement~~proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- ~~(v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associate(s) is derived); or~~

- ~~(vi) any proposal concerning the adoption, modification, or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.~~
- ~~(2) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) is/are the holder(s) of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director and/or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director and/or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right a general meetings and very restrictive dividend and return of capital right.~~
- ~~(3) Where a company in which a Director and/or his associate(s) hold(s) five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.~~
- ~~(42) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.~~

- (2) Subject to Section 89 of the Act, a person, other than a ~~retiring~~an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless ~~Notice~~notice in writing of an intention to nominate that person to the office of Auditor has been given not less than ~~fourteen (14)~~twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such ~~Notice~~notice to the ~~retiring~~incumbent Auditor.
- (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~special~~extraordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.

157. ~~If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene a special general meeting to fill the vacancy.~~

The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 152(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 152(1) at such remuneration to be determined by the Members under Bye-law 154.

164. (1) ~~The~~Subject to Bye-law 164(2), the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) ...

NOTICE OF THE ANNUAL GENERAL MEETING



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Kwoon Chung Bus Holdings Limited (the “Company”) will be held at Java Room II & III, 2nd Floor, Harbour Plaza North Point, 665 King’s Road, North Point, Hong Kong on Tuesday, 23 August 2022 at 2:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and of the auditors for the year ended 31 March 2022;
2. To re-elect Mr. Wong Cheuk On, James, as an executive director of the Company;
3. To re-elect Mr. Chan Bing Woon, *SBS, JP* as an independent non-executive director of the Company;
4. To authorize the board of directors to fix the maximum number of directors;
5. To authorize the board of directors to appoint additional directors up to the maximum number determined;
6. To authorize the board of directors to fix the respective directors’ remuneration;
7. To re-appoint Ernst & Young as auditors and to authorise the board of directors to fix their remuneration;

* *for identification purposes only*

NOTICE OF THE ANNUAL GENERAL MEETING

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

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of share of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph (a) above 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
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws 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 in general meeting.”

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

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) 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 of the Company in accordance with the bye-laws of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above 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

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws 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 in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register 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 any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF THE ANNUAL GENERAL MEETING

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

“**THAT** conditional upon the passing of the resolutions set out in items 8 and 9 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 9 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 8 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

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

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “New Share Option Scheme”, a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof), the New Share Option Scheme be and is hereby approved and adopted and with effect from the date of the New Share Option Scheme becoming unconditional and coming into effect, and the board of directors of the Company be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (a) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares of the Company;
- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;

NOTICE OF THE ANNUAL GENERAL MEETING

- (c) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme provided always that the total number of shares subject to the New Share Option Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and 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 share option schemes of the Company shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
 - (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and
 - (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”
12. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the existing bye-laws of the Company be amended in the manner as set out in the Appendix IV to circular of the Company dated 22 July 2022 (the “Proposed Amendments”); and the new bye-laws of the Company, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, which incorporates and consolidates all the Proposed Amendments, be approved and adopted in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect; and that any one of the Directors, secretary or registered office provider of the Company be and is hereby authorised to do all things necessary to implement the adoption of the new bye-laws of the Company, including without limitation, attending to the necessary filings with the Registrar of Companies in Bermuda and Hong Kong.”

By order of the Board
Kwoon Chung Bus Holdings Limited
Wong Leung Pak, Matthew, BBS
Chairman

Hong Kong, 22 July 2022

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 2:00 p.m. on Sunday, 21 August 2022) or the adjourned meeting (as the case may be). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Thursday, 18 August 2022 to Tuesday, 23 August 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 August 2022.
4. In relation to the ordinary resolutions set out in items 8, 9 and 10 of the above notice, the directors of the Company wish to state that they have no immediate plan to issue any new shares or buy back any existing shares of the Company.
5. References to time and dates in this notice are to Hong Kong time and dates.

- Considering the outbreak of coronavirus disease 2019 ("COVID-19"), certain measures will be implemented at the annual general meeting ("AGM") with a view to addressing the risk to attendees of infection, including, without limitation (i) all attendees being required to (a) undergo compulsory body temperature check; (b) wear surgical face masks prior to admission to the AGM venue and throughout the AGM; and (c) scan the "Leave Home Safe" venue QR code and the electronic vaccination QR code, and comply with the requirements of the "Vaccine Pass Direction" defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the laws of Hong Kong); (ii) no corporate gifts being distributed; (iii) no refreshments or drinks being provided; and (iv) all attendees will be assigned designated seat at the AGM venue in order to ensure approximate social distancing and facilitate contact tracing. The Company reminds attendees that they should carefully consider the risks of attending the AGM, taking into account their own personal circumstances.
- The Company will keep the evolving COVID-19 situation under review and may change measures, where appropriate.
- Due to the constantly evolving COVID-19 situation in Hong Kong, the Company may be required to change the AGM arrangements with short notice. Shareholders should check the website of the Company (<http://www.kcbh.com.hk>) for future announcements and updates on the AGM arrangements.