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

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

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LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1125)

PROPOSALS FOR
(1) GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
(3) INCREASE IN AUTHORISED SHARE CAPITAL;
(4) ADOPTION OF THE NEW SHARE OPTION SCHEME; AND
(5) ADOPTION OF THE NEW AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING

Capitalised terms used in the lower portion of this cover page shall have the respective meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 6 to 17 of this circular.

The notice convening the 2022 AGM to be held at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 9:00 a.m. is set out on pages 65 to 72 of this circular.

Shareholders are advised to read the Notice of 2022 AGM and if you are not able to attend the 2022 AGM in person but wish to exercise your right as a Shareholder, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the 2022 AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM should you so wish, in such event, the form of proxy shall be deemed to be revoked.

In light of the epidemic situation of the novel coronavirus (COVID-19), certain measures will be implemented at the 2022 AGM with a view to addressing the risk to attendees of infection, including the following:

- a) all attendees will be required to undergo body temperature check;
- b) all attendees will be required to scan the "LeaveHomeSafe" venue QR code at the entrance of the venue of the 2022 AGM, and comply with the requirements of the Vaccine Pass Direction under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong);
- c) any attendees who are subject to health quarantine prescribed by the Government of the HKSAR will not be admitted to the venue of the 2022 AGM;
- d) all attendees will be required to wear surgical face masks throughout the 2022 AGM;
- e) each attendee will be assigned a designated seat at the time of registration to ensure social distancing;
- f) any person who does not comply with the measures above may be denied entry into, or be required to leave, the venue of the 2022 AGM; and
- g) no refreshments or beverages will be provided, and there will be no corporate gifts.

The Company reminds Shareholders that they should carefully consider the risks of attending the 2022 AGM, taking into account their own personal circumstances. The Company would like to remind Shareholders that attending the 2022 AGM in person is not necessary for the purpose of exercising their voting rights and **strongly recommends that Shareholders appoint the Chairman of the 2022 AGM as their proxy** and submit their form of proxy as early as possible. In light of the risks posed by the COVID-19 pandemic, the Company **strongly encourages Shareholders NOT to attend the 2022 AGM in person.**

The Company will keep the evolving COVID-19 situation under review and may implement additional measures (which it will announce closer to the date of the 2022 AGM.)

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DEFINITIONS

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

“2022 AGM”	the AGM to be convened and held at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 9:00 a.m. or at any adjournment thereof;
“Acceptance Date”	means, in relation to any Option, the day on which the offer to grant such Option is accepted by the relevant Eligible Participant in accordance with the provisions of the New Share Option Scheme;
“Adoption Date”	the date of approval and adoption of the New Share Option Scheme by the Shareholders and the shareholders of LSD and LSG respectively;
“AGM”	annual general meeting of the Company;
“Articles of Association”	the Articles of Association of the Company, as amended, modified and/or supplemented from time to time;
“Board”	the board of Directors, and for the purposes of the New Share Option Scheme, shall include any committee of the Board duly constituted from time to time to administer the New Share Option Scheme and to which the functions and responsibilities of the Board under the New Share Option Scheme have been delegated;
“Buy-backs Code”	the Code on Share Buy-backs issued by the SFC;
“Buy-back Mandate”	the proposed general mandate to buy back Shares not exceeding 10% of the total number of issued Shares as at the date of passing the resolution granting the general mandate;
“close associate(s)”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Company”	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125);
“controlling shareholder(s)”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;

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“core connected person(s)”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Date of Grant”	in relation to any Option, the day (which must be a trading day) on which the Directors resolve to make an offer of that Option to an Eligible Participant subject to the provisions of the New Share Option Scheme;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the effective date of the New Share Option Scheme, the day on which the conditions referred to in paragraph 22 of Appendix III of this circular are fulfilled;
“Eligible Participant(s)”	the Employee Participants, Service Providers and the Related Entity Participants;
“Employee Participant(s)”	the directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the New Share Option Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Existing M&A”	the existing amended and restated memorandum and articles of association of the Company that are currently in force;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company at its extraordinary general meeting held on 18 December 2012;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKEX”	Hong Kong Exchanges and Clearing Limited;
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC;
“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$2,000,000,000 divided into 400,000,000 Shares to HK\$5,000,000,000 divided into 1,000,000,000 Shares by creating an additional 600,000,000 unissued Shares;
“Individual Limit(s)”	has the same meaning as defined in paragraph 4 of Appendix III to this circular;

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“Latest Practicable Date”	11 November 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488) and is the intermediate holding company of the Company;
“LSG”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191) and is the ultimate holding company of the Company;
“New Amended and Restated M&A”	the second amended and restated memorandum and articles of association of the Company proposed to be adopted to replace the Existing M&A with immediate effect after the close of the 2022 AGM following the passing of the relevant special resolution;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the 2022 AGM, a summary of the principal terms of which is set out in Appendix III to this circular;
“Nomination Committee”	the Nomination Committee of the Company;
“Notice of 2022 AGM”	the notice convening the 2022 AGM as contained in this circular;
“Option(s)”	an option to subscribe for Shares pursuant to the New Share Option Scheme;
“Option Holder(s)”	the holder of any outstanding Option or (where the context so permits) any person who is entitled to such Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder;

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“Option Period”	in respect of any Option, the period commencing on the Acceptance Date of an Option and expiring at the close of business on a day as determined by the Directors (both days inclusive), which period may, if the Directors so determine, be set at different length for different Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any Option is granted in accordance with the New Share Option Scheme;
“Option Price”	the price per Share payable on the exercise of an Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Option Period) provided always that it shall comply with the provisions of the New Share Option Scheme;
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC, and Taiwan;
“Related Entity(ies)”	holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participant(s)”	the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Remuneration Committee”	the Remuneration Committee of the Company;
“Service Provider(s)”	means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor: (i) where the continuity and frequency of their services are akin to those of employees; or (ii) after stepping down from an employment or director position with the Group,

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who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group's principal business activities in property development, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in China, or other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific-industry advice on the Group's business and financial or commercial strategy, and provided that placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers, such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category;

“Service Provider Sublimit”	has the same meaning as defined in paragraph 3.2 of Appendix III of this circular;
“SFC”	the Securities and Futures Commission in Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$5.00 each in the share capital of the Company;
“Share Issue Mandate”	the proposed general mandate to allot, issue and deal in Shares not exceeding 20% of the total number of issued Shares as at the date of passing the resolution granting the general mandate;
“Shareholder(s)”	the duly registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	in relation to an Option, an amount equal to the Option Price multiplied by the relevant number of Shares in respect of which such Option is exercised;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by SFC (as amended, supplemented or otherwise modified from time to time); and
“%”	per cent.

LETTER FROM THE BOARD



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1125)

Executive Directors:

Mr. Chew Fook Aun (*Chairman*)
Mr. Lam Kin Hong, Matthew (*Executive Deputy Chairman*)
Mr. Lam Hau Yin, Lester (*Chief Executive Officer*)
(*also alternate director to Madam U Po Chu*)
Mr. Cheng Shin How
Mr. Lee Tze Yan, Ernest
Madam U Po Chu

Independent Non-executive Directors:

Mr. Ku Moon Lun
Mr. Lam Bing Kwan
Mr. Law Kin Ho
Mr. Mak Wing Sum, Alvin
Mr. Shek Lai Him, Abraham

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Principal Place of Business
in Hong Kong:*

11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

17 November 2022

*To the Shareholders and for information only,
the holders of share options granted under the
Company's share option scheme adopted on
18 December 2012*

Dear Sir or Madam,

**PROPOSALS FOR
(1) GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE SHARES;
(2) RE-ELECTION OF THE RETIRING DIRECTORS;
(3) INCREASE IN AUTHORISED SHARE CAPITAL;
(4) ADOPTION OF THE NEW SHARE OPTION SCHEME; AND
(5) ADOPTION OF THE NEW AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for (i) the Buy-back Mandate and Share Issue Mandate and the extension of the Share Issue Mandate; (ii) the re-election of retiring Directors; (iii) the Increase in Authorised Share Capital; (iv) the adoption of the New Share Option Scheme; and (v) the adoption of the New Amended and Restated M&A; and the Notice of 2022 AGM.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO BUY BACK SHARES

At the last AGM held on 17 December 2021, general mandates were granted by the Shareholders to the Directors to exercise the powers of the Company to buy back the Shares and to issue Shares. Pursuant to the provisions of the Listing Rules, such general mandates will lapse at the conclusion of the 2022 AGM unless renewed at that meeting.

At the 2022 AGM, an ordinary resolution will be proposed which, if passed, will grant the Directors a general and unconditional mandate to exercise all the powers of the Company to buy back not exceeding 10% of the total number of issued Shares as at the date of passing the resolution, for the period from the said date until the conclusion of the next AGM or such other period as stated in the resolution.

An explanatory statement, as required by the Listing Rules to be given to the Shareholders concerning the Buy-back Mandate, is set out in the Appendix I to this circular and contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution relating to the Buy-back Mandate.

3. GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the 2022 AGM two ordinary resolutions respectively granting to the Directors a general and unconditional mandate to issue, allot and deal with Shares representing up to 20% of the total number of issued Shares as at the date of passing the resolution, for the period from the said date until the conclusion of the next AGM or such other period as stated in the resolution and adding to such mandate so granted to the Directors any Shares bought back by the Company under the Buy-back Mandate.

4. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 116 of the Articles of Association, Messrs. Lam Kin Hong, Matthew, Cheng Shin How (executive Directors), Lam Bing Kwan and Shek Lai Him, Abraham (independent non-executive Directors) will retire from office as Directors by rotation at the 2022 AGM and, being eligible, will offer themselves for re-election.

The Nomination Committee has reviewed the structure, size and composition of the Board and recommended the re-appointment of Messrs. Lam Kin Hong, Matthew, Cheng Shin How, Lam Bing Kwan and Shek Lai Him, Abraham, who will retire and offer for re-election at the 2022 AGM.

Both Mr. Lam Bing Kwan and Mr. Shek Lai Him, Abraham have served on the Board as Independent Non-executive Directors (“INEDs”) for more than 9 years. Hence, each of their re-elections will be subject to a separate resolution to be approved by the Shareholders pursuant to code provision B.2.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. They confirmed that they satisfy all the criteria for independence as set out in Rule 3.13 of the Listing Rules. During the years of their appointments, both of them have not been involved in the daily operation of the Company nor in any relationship or circumstances which would affect their independent judgment and they have been able to provide independent and professional views to the Company’s affairs. Having considered their confirmation of independence, skills, knowledge and experience, the Board believes that both of them will continue to provide independent, balanced and objective view to the affairs of the Company and bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

LETTER FROM THE BOARD

Particulars of the retiring Directors proposed for re-election at the 2022 AGM required to be disclosed under Rule 13.51(2) of the Listing Rules are set out in Appendix II to this circular.

All INEDs have been serving more than 9 years on the Board. The length of tenure of Messrs. Ku Moon Lun, Lam Bing Kwan, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham with the Company as at the Latest Practicable Date was more than 16 years, 21 years, 13 years, 10 years and 9 years, respectively.

5. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK\$2,000,000,000 divided into 400,000,000 Shares of par value of HK\$5.00 each, of which 331,033,443 Shares are in issue and 68,966,557 Shares are authorised but unissued as at the Latest Practicable Date. In addition, the Company has 8,440,690 underlying Shares comprised in the share options granted under the Existing Share Option Scheme which remain outstanding as at the Latest Practicable Date.

In order to accommodate growth of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board proposed the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

Upon the Increase in Authorised Share Capital becoming effective and assuming no Shares are issued or repurchased from the Latest Practicable Date up to the date of the 2022 AGM, the authorised share capital of the Company will be HK\$5,000,000,000 divided into 1,000,000,000 Shares, with 331,033,443 Shares in issue and 668,966,557 Shares authorised but unissued.

The proposed Increase in Authorised Share Capital is subject to the approval by the Shareholders by way of an ordinary resolution at the 2022 AGM.

Save for 8,440,690 Shares which may be issued upon exercise of the outstanding share options granted and yet to be exercised under the Existing Share Option Scheme, the Company has no present intention to issue Shares from any part of the Increase in Authorised Share Capital but may or may not issue Shares in the future depending on market conditions and the financial needs of the Company.

6. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Lapse of the Existing Share Option Scheme

The Existing Share Option Scheme is due to expire on 17 December 2022. In view of the impending expiry of the Existing Share Option Scheme, the Company proposes to adopt the New Share Option Scheme. As at the Latest Practicable Date, there were 8,440,690 underlying Shares comprised in the share options granted but not yet exercised under the Existing Share Option Scheme, of which a total of 4,503,018 underlying Shares were granted to the Directors while the remaining 3,937,672 underlying Shares were granted to other eligible participants under the Existing Share Option Scheme such as employees, directors, officers or consultant of a Relevant Company (as defined under the Existing Share Option Scheme), representing approximately 2.55% of the total number of issued Shares. The Board confirms that it will not grant any further options under the Existing Share Option Scheme prior to the 2022 AGM.

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Upon expiry of the Existing Share Option Scheme, no further options may be granted but in all other respects, the provisions of the Existing Share Option Scheme shall remain in full force and effect. Therefore, the expiry of the Existing Share Option Scheme will not in any event affect the terms of such outstanding options that have already been granted under the Existing Share Option Scheme and the above outstanding options granted under the Existing Share Option Scheme shall continue to be subject to the provisions of the Existing Share Option Scheme.

The New Share Option Scheme

At the 2022 AGM, ordinary resolution no. 6 will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the New Share Option Scheme as the Existing Share Option Scheme will expire and no further Options can thereafter be offered or granted under the Existing Share Option Scheme. The New Share Option Scheme is largely similar to the Existing Share Option Scheme. The major differences between the New Share Option Scheme and the Existing Share Option Scheme are changes made to the terms of the New Share Option Scheme to conform to the latest amendments to Chapter 17 of the Listing Rules (effective from 1 January 2023). The New Share Option Scheme complies with the latest requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, the issued share capital of the Company comprised 331,033,443 Shares, of which 182,318,266 Shares (representing approximately 55.08%) is indirectly owned by LSD, a company listed on the Main Board of the Stock Exchange. LSD was approximately 53.19% directly and indirectly owned by LSG, a company listed on the Main Board of the Stock Exchange. Hence, the Company is a subsidiary of each of LSD and LSG.

Pursuant to Rule 17.01(4) of the Listing Rules (in force as of the Adoption Date), so long as the Company is a subsidiary of LSD and LSG and each of them being a holding company of the Company which is also listed on the Stock Exchange, the adoption of the New Share Option Scheme by the Company is also subject to the passing of the necessary resolutions by the shareholders of LSD and LSG in their respective general meetings to approve the adoption of the New Share Option Scheme by the Company pursuant to the requirements of Rule 17.01(4) of the Listing Rules.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

As at the Latest Practicable Date, the issued share capital of the Company comprised 331,033,443 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum 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 scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 33,103,344 Shares, representing 10% of the total number of the issued Shares as at the Adoption Date.

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The Service Provider Sublimit of the New Share Option Scheme will be 3,310,334 Shares, being 1% of the total number of the issued Shares on the Adoption Date. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, the extent of use of Service Provider in the Group's business, the current payment and/or settlement arrangement with the Service Providers, and the fact that the Company expects that a majority of Options will be granted to Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. Given the above, the Directors have made reference to the 1% Individual Limit and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings. Considering that there are no other share schemes involving grant of options over new Shares of the Company, the Group's hiring practice and organisational structures and that Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to achieve the purpose of the New Share Option Scheme and the relatively low threshold of 1% can provide adequate safeguard against excessive dilution. The Service Provider Sublimit is subject to separate approval by the Shareholders at the 2022 AGM.

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in the trustees of the New Share Option Scheme, if any. As at the Latest Practicable Date, the Company has no other share option schemes or share award schemes other than the Existing Share Option Scheme.

Conditions precedent of the New Share Option Scheme

The New Share Option Scheme will take effect after the expiry of the Existing Share Option Scheme and upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in the 2022 AGM to approve the adoption of the New Share Option Scheme and to authorise the Board to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;
- (ii) the passing of the necessary resolutions by the shareholders of LSD and LSG in their respective general meetings to approve the adoption of the New Share Option Scheme by the Company; and
- (iii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing for, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

LETTER FROM THE BOARD

Explanation of the terms of the New Share Option Scheme

A summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix III hereto.

The purpose of the New Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The New Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

Eligible Participants

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

Considering the Company's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Options to the Service Providers and Related Entity Participants in recognition of their contribution to the Company. The Directors (including the INEDs) also consider that it is beneficial to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options to these non-employee participants will align their interests with the Group's, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

More specifically, the Board (including the INEDs) is of the view that:

- (i) The Company and the Related Entity Participants have always had a close working relationship. Despite that Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships, they may be involved in projects or other business engagements relating to or having connections with the Group's business. As such, certain Related Entity Participants have joint involvement in work projects from time to time. Given the mix of workload, the Company feels that it is important to

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recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the New Share Option Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme to include the Related Entity Participants, to whom the Company can incentivise with the grant of Options in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entities and the Group; while the Related Entities may consider granting Options to those employees, given that the same employees may be utilised by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant Options to those employees in recognition of such contribution to the Company.

- (ii) The Group has collaborated with independent contractors, consultants and advisors who have provided advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in property development, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in China, or on other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) and they have played significant roles in the Group's business development by contributing their specialised skills and knowledge in the field of property development, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in China, for example, they have offered specific-industry advice on the Group's business and financial or commercial strategy based on their many years' of experience in the industry and/or years of service with the Group. Such independent contractor, consultants and advisors may not be able to serve as full-time or part-time employees, directors or officers of the Group due to a variety of reasons. For example, these Service Providers may have stepped down from employment position with the Group, or they may be seasoned people in their own fields and professionals with many business connections which the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees. As these Service Providers are either former management or former employees of the Group, or are personnel who have worked for the Group where the continuity and frequency of their services are akin to those of employees, the Group values their familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and considers that their contribution to the Group is similar to those of

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the employees of the Group. Hence, the Board is of the view that apart from the invaluable contributions from employees and directors of the Group, the success of the Group also requires the co-operation and contribution from these kind of independent contractor, consultants and advisors who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The grant of Options to the Service Providers will incentivise such Service Providers to provide quality services and/or products to the Group on a long-term basis, strengthen their loyalty to the Group, such that its performance efficiency may be maximised.

- (iii) As mentioned above, the Board will take into account of numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the different categories of non-employee Eligible Participants. As further explained below, the Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on Options to be granted to these Eligible Participants, which allows the Board having great flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for these non-employee Eligible Participants' contribution or potential contribution.
- (iv) It has always been the intention of the Company to include employee, director, officer or consultant of a Related Entity and any other group or classes of participants which the Directors consider to have contributed or will contribute, whether by way of business alliance or other business arrangement, to the development and growth of the Group as these classes of person were all eligible under the Existing Share Option Scheme. The Company has always opted for a flexible approach when it comes to devising its own talent recruitment and retention strategies.

Having their contribution recognised and their interests aligned with the Group's, the Related Entity Participants and Service Providers will be better motivated to support the development of the Group in a sustainable manner.

Vesting period

The vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Option Holder, such as those set out in paragraphs 7.2(i) to (iii) of Appendix III to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

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Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in sub-paragraph 7.2 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Performance targets and clawback mechanism

Unless otherwise imposed by the Directors and stated in the relevant offer letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

If performance targets are imposed on an Option Holder, the Board may assess such performance targets against common corporate-wide or subsidiary, division, operating unit, line of business, project, geographic or individual key performance indicators, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; and such other goals as the Board may determine from time to time.

If a clawback mechanism is imposed on an Option Holder, the Board will take into account individual circumstances when devising such mechanism such as the role of the Option Holder, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Option Holder to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution. Further, by allowing the Company to grant Options under the New Share Option Scheme at a Subscription Price which will be determined on a fair basis according to market value of the Shares and to impose such clawback mechanism and/or require the Eligible Participant to achieve such performance targets as may be stipulated in the offer letter on a case by case basis, the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants with further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the New Share Option Scheme.

Basis of Determination of the Option Price

Eligible Participants to whom Options shall be granted, are entitled to subscribe for the number of Shares at the Option Price as determined on the Date of Grant. The basis for determining the Option Price is also specified precisely in the rules of the New Share Option Scheme. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

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Value of the Options

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, given that various factors (such as the Option Price and other terms and conditions to which an Option may be subject) crucial for valuation cannot be predicted or ascertained and may vary from case to case. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on assumptions would be speculative and not meaningful, and indeed might be misleading to the Shareholders.

Document on display

A copy of the rules of the New Share Option Scheme will be published on the respective websites of HKEX at www.hkexnews.hk and the Company at www.laifung.com for display for a period of not less than fourteen (14) days before the date of the 2022 AGM and the rules of the New Share Option Scheme will be made available for inspection at the 2022 AGM.

7. PROPOSED ADOPTION OF THE NEW AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers.

The Board proposes to amend and restate the Existing M&A for the purposes of (i) providing greater flexibility to the Company in relation to the conduct of general meetings by allowing (but not requiring) general meetings to be held as an electronic meeting and/or as a hybrid meeting where the Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person; (ii) bringing the Existing M&A in line with the amendments made to the Listing Rules (in particular to conform to the core shareholder protection standards as set out in Appendix 3 to the Listing Rules) and applicable laws of the Cayman Islands; (iii) reflecting the Increase in Authorised Share Capital to the Existing M&A; and (iv) making certain minor housekeeping amendments to the Existing M&A.

In view of the number of proposed changes involved, the Board proposes to amend the Existing M&A currently in effect by deletion in their entirety and the substitution in their place of the New Amended and Restated M&A. Full terms of the proposed changes brought about by the adoption of the New Amended and Restated M&A when compared with the Existing M&A are set out in Appendix IV to this circular.

Shareholders are advised that the New Amended and Restated M&A are written in English. The Chinese translation of the New Amended and Restated M&A is for reference purpose only. In case of any inconsistency between the English version and Chinese translation, the English version shall prevail.

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The legal advisers to the Company have confirmed that the proposed amendments to the Existing M&A conform with the requirements under the Listing Rules and the laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

8. 2022 AGM

The Notice of 2022 AGM is set out on pages 65 to 72 of this circular. Shareholders are advised to read the Notice of 2022 AGM and if you are not able to attend the 2022 AGM in person but wish to exercise your right as a Shareholder, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the 2022 AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

9. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, save for resolutions which relate purely to procedural or administrative matter to be voted by a show of hands, any vote of the Shareholders at a general meeting of the Company must be taken by way of a poll. Accordingly, each of the resolutions to be considered and, if thought fit, passed at the 2022 AGM will be voted by way of a poll by the Shareholders. Article 85 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder. An explanation of the detailed procedures of conducting a poll will be provided to the Shareholders at the 2022 AGM. The Company will publish an announcement on the poll results on the respective websites of the Company at www.laifung.com and the HKEX at www.hkexnews.hk after the conclusion of the 2022 AGM.

10. RECOMMENDATION

The Directors consider that the proposed Buy-back Mandate and Share Issue Mandate and the extension of the Share Issue Mandate, the re-election of retiring Directors, the Increase in Authorised Share Capital, the adoption of the New Share Option Scheme as well as the adoption of the New Amended and Restated M&A are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the 2022 AGM.

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11. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board of
Lai Fung Holdings Limited
Chew Fook Aun
Chairman

This explanatory statement contains all the information required by Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution relating to the Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the share capital of the Company comprised 331,033,443 issued and fully-paid up Shares.

Subject to the passing of the relevant ordinary resolution, the Company would be allowed under the Buy-back Mandate to buy back Shares up to a maximum of 33,103,344 Shares on the basis that there will be no change in the issued share capital of the Company prior to the date of the 2022 AGM.

2. REASONS FOR BUY-BACKS

Although the Directors have no present intention of buying back any Shares, they believe that the flexibility afforded by the Buy-back Mandate will be in the best interests of the Company and the Shareholders as a whole. Such buy-backs may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole (e.g. if there are occasions in the future when depressed market conditions arise and the Shares are trading at a discount to their underlying value).

3. FUNDING OF BUY-BACKS

Pursuant to the Buy-back Mandate, the Company may only apply funds legally available for buy-backs in accordance with the laws of the Cayman Islands in which the Company is incorporated and the Articles of Association.

The Directors propose that such buy-backs of Shares would be appropriately financed by the Company's internal resources and/or available banking facilities. There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the published audited consolidated financial statements of the Company for the year ended 31 July 2022) in the event that the Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital of the Company or the gearing position which is, in the opinion of the Directors, appropriate for the Company from time to time.

4. SHARE PRICES

The highest and lowest prices per Share at which the Shares had been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2021		
November	6.00	5.20
December	5.20	5.00
2022		
January	6.00	5.00
February	5.93	5.21
March	5.38	5.20
April	5.38	5.38
May	7.00	5.00
June	___(Note)	___(Note)
July	___(Note)	___(Note)
August	___(Note)	___(Note)
September	___(Note)	___(Note)
October	___(Note)	___(Note)
November (up to the Latest Practicable Date)	6.26	6.26

Note: Trading in the Shares on the Stock Exchange was suspended from 1 June 2022 to 10 November 2022 pending the restoration of 25% minimum public float of the Shares. As a result, the Share prices during these five months were not available. Trading in the Shares on the Stock Exchange was resumed at 9:00 a.m. on 11 November 2022.

5. BUY-BACKS MADE BY THE COMPANY

The Company had not bought back any Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

6. INTENTION AND UNDERTAKING

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Shares held by them to the Company under the Buy-back Mandate if such Buy-back Mandate is approved by the Shareholders.

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

No core connected person has notified the Company that he has a present intention to sell the Shares held by him to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

7. IMPLICATIONS OF THE TAKEOVERS CODE AND THE LISTING RULES

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a share buy-back by the Company, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code and Rule 6 of the Buy-backs Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase in their shareholding interest(s), obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer for Shares in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the controlling shareholders of the Company named below were interested or were deemed to be interested under the SFO in the issued Shares as follows:

Name	Capacity	Nature of interests	Number of issued Shares	Approximate
				percentage of total issued Shares
LSD	Owner of controlled corporations	Corporate	182,318,266 (Note 1)	55.08%
LSG	Owner of controlled corporations	Corporate	182,318,266 (Note 2)	55.08%
Lam Kin Ngok, Peter ("Dr. Lam")	Owner of controlled corporations	Corporate	182,318,266 (Note 3)	55.08%

Notes:

- (1) These interests in the Company represented all the Shares beneficially owned by Holy Unicorn Limited ("**Holy Unicorn**") and Transtrend Holdings Limited ("**Transtrend**"), both being wholly-owned subsidiaries of LSD. Holy Unicorn and Transtrend beneficially owned 180,600,756 Shares and 1,717,510 Shares, respectively.
- (2) LSG owned approximately 53.19% shareholding interests in LSD. As such LSG was deemed to be interested in the same 182,318,266 Shares in which LSD had interests.
- (3) Dr. Lam was deemed to be interested in 182,318,266 Shares owned by LSD by virtue of his personal and deemed shareholding interests in approximately 41.93% (excluding share option) in LSG which in turn owned approximately 53.19% shareholding interests in LSD.

In the event that the Company exercises the Buy-back Mandate in full and taking no account of the issue of new Shares by the Company pursuant to any general or specific mandate given by the Shareholders at any general meeting and the Existing Share Option Scheme, the New Share Option Scheme or any other scheme or otherwise, the aggregate beneficial shareholding interests and deemed shareholding interests of LSD, LSG and Dr. Lam in the Company will be (for illustration) as follows:

Name	Approximate percentage of total issued Shares
LSD	61.19%
LSG	61.19%
Dr. Lam	61.19%

In the opinion of the Directors, the controlling shareholders of the Company would not be obliged to make a mandatory offer under Rule 26 and Rule 32 of the Takeovers Code as a result of such increase.

As at the Latest Practicable Date, the percentage of Shares held by the public was approximately 14.75%, which remained below the minimum percentage of public shareholding of 25% as required under Rule 8.08(1)(a) of the Listing Rules. Therefore, the Directors have no present intention to exercise the Buy-back Mandate before the restoration of the Company's public float as required under the Listing Rules.

The following are the particulars of the Directors proposed to be re-elected at 2022 AGM:

1. Executive Directors

Mr. Lam Kin Hong, Matthew, Executive Deputy Chairman, aged 54, was appointed an Executive Director of the Company in December 2001. He is also a director of a number of subsidiaries of the Company. Mr. Lam is an executive director of LSG and Crocodile Garments Limited (a company listed on the Main Board of the Stock Exchange).

Mr. Lam graduated from University College London in the United Kingdom (“UK”) with a Bachelor of Science Degree and underwent training as a lawyer with Reed Smith Richards Butler, an international law firm. He is a Co-founding Partner and Managing Partner of Nixon Peabody CWL in Hong Kong and a member of The Law Society of Hong Kong, The Law Society of Singapore and The Law Society of England and Wales.

Mr. Lam has considerable experience in property development and corporate finance in Hong Kong and Mainland China. He is the vice president of the Hong Kong Real Property Federation and a standing committee member of the Chinese People’s Political Consultative Conference in Shanghai.

Mr. Lam was appointed a Justice of the Peace in July 2021. He serves as an Honorary Consul of the Republic of Estonia in Hong Kong, a member of the Consumer Council, a member of the Fight Crime Committee and the observer of the Independent Police Complaints Council. Mr. Lam also serves as a Racing Steward at the Hong Kong Jockey Club and is a council member of the Better Hong Kong Foundation. He was a member of the Employees Compensation Assistance Fund Board, and the Advisory Committee on Admission of Quality Migrants and Professionals.

Mr. Lam is the younger brother of Dr. Lam Kin Ngok, Peter (a substantial shareholder of the Company within the meaning of Part XV of the SFO) and an uncle of Mr. Lam Hau Yin, Lester (an Executive Director and the Chief Executive Officer of the Company).

The Company and Mr. Lam have entered into an employment contract with no fixed term. However, in accordance with the provisions of the Articles of Association, he will be subject to retirement from office as director by rotation once every three years if re-elected at the 2022 AGM and will also be eligible for re-election at future AGMs. Mr. Lam presently receives a remuneration of HK\$1,140,000 per annum and such other remuneration and discretionary bonus as may be determined by the board of directors of the Company from time to time with reference to the results of the Company, his performance, duties and responsibilities as well as the prevailing market conditions and are endorsed by the Remuneration Committee.

Save as disclosed above, Mr. Lam has not held any directorship in any other listed public companies in the last three years. As at the Latest Practicable Date, Mr. Lam does not have any other interests or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Saved as disclosed above, there are no other matters which need to be brought to the attention of the Shareholders, and there is no information which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

Mr. Cheng Shin How, aged 56, was appointed an Executive Director of the Company in June 2007 and is currently a member of the Executive Committee of the Company. He is also a director of a number of subsidiaries of the Company.

Mr. Cheng is an advisor to the CLI China Advisory Council of CapitaLand Investment Limited (“**CLI**”), the shares of which are listed on the Mainboard of the Singapore Exchange Securities Trading Limited. CLI is a subsidiary of CapitaLand Group Pte. Ltd., a substantial shareholder of the Company.

Prior to joining the Company, Mr. Cheng was the Regional Director of the Hong Kong and Macau office of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.) (“**CapitaLand**”). He joined CapitaLand in 1999 and has been involved in its real estate investment in Hong Kong, Macau and the Mainland of China. Prior to joining CapitaLand, Mr. Cheng worked with CB Richard Ellis, an international property consultancy firm where he was involved in property valuation, development and investment consultancy. He has been involved in the PRC business since 1993. Mr. Cheng graduated with an Honours Degree in Land Management from the University of Reading, UK.

The Company and Mr. Cheng have entered into an employment contract with no fixed term but such contract is determinable by either the Company or Mr. Cheng serving the other party not less than 3 months’ written notice or payment in lieu thereof. In accordance with the provisions of the Articles of Association, he will be subject to retirement from office as director by rotation once every three years if re-elected at the 2022 AGM and will also be eligible for re-election at future AGMs. Mr. Cheng presently receives a remuneration of HK\$6,931,200 per annum and such other remuneration and discretionary bonus as may be determined by the board of directors of the Company from time to time with reference to the results of the Company, his performance, duties and responsibilities as well as the prevailing market conditions and are endorsed by the Remuneration Committee.

Save as disclosed above, Mr. Cheng has not held any directorship in any other listed public companies in the last three years and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, except for a share option to subscribe for 643,836 shares in the Company pursuant to the Existing Share Option Scheme of the Company, Mr. Cheng does not have any other interests or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Saved as disclosed above, there are no other matters which need to be brought to the attention of the Shareholders, and there is no information which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

2. Independent Non-executive Directors

Mr. Lam Bing Kwan, aged 72, was appointed an Independent Non-executive Director of the Company in July 2001 and is currently the chairman of the Remuneration Committee and a member of the Audit Committee of the Company.

Mr. Lam graduated from the University of Oregon in the United States of America with a Bachelor of Business Administration Degree in 1974. Having been actively involved in property development and investment in the PRC since the mid-1980's, he has substantial experience in this industry. Mr. Lam has served on the boards of directors of a number of listed companies in Hong Kong for over 15 years and is currently an independent non-executive director of LSG and LSD as well as a non-executive director of Sino-i Technology Limited and Nan Hai Corporation Limited. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange.

The Company does not have any service contract with Mr. Lam. However, in accordance with the provisions of the Articles of Association, he will be subject to retirement from office as director by rotation once every three years if re-elected at the 2022 AGM and will also be eligible for re-election at future AGMs. Mr. Lam presently receives an annual director's fee of HK\$350,000. The directors' fee is fixed by the Board pursuant to the authority granted by the Shareholders at the AGMs.

Mr. Lam will have served on the Board for more than 21 years at the time of the 2022 AGM. The Board has received from Mr. Lam an annual confirmation of his independence every year and taking into account the various factors as set out in Rule 3.13 of the Listing Rules and his actual contributions, his impartiality and independent judgement on various issues that he brings to the discussions during Board and Board committees meetings, the Board is satisfied with his independence and considers that Mr. Lam will continue to be independent and have the required character and experience to fulfill the role of an independent non-executive director of the Company and considers that the re-election of Mr. Lam as an independent non-executive director of the Company at the 2022 AGM is in the best interest of the Company and its shareholders as a whole.

Save as disclosed above, Mr. Lam has not held any directorship in any other listed public companies in the last three years and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lam does not have any interests or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Saved as disclosed above, there are no other matters which need to be brought to the attention of the Shareholders, and there is no information which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

Mr. Shek Lai Him, Abraham, aged 77, was appointed an Independent Non-executive Director of the Company in December 2012 and is currently a member of the Nomination Committee of the Company. He was appointed as Justice of the Peace in 1995 and awarded the Gold Bauhinia Star in July 2013.

Mr. Shek acts as an independent non-executive director of a number of companies listed on the Main Board of the Stock Exchange, including Paliburg Holdings Limited, Lifestyle International Holdings Limited, Chuang's Consortium International Limited, NWS Holdings Limited, Country Garden Holdings Company Limited, China Resources Cement Holdings Limited, Cosmopolitan International Holdings Limited, Eagle Asset Management (CP) Limited acting as the manager of Champion Real Estate Investment Trust, Regal Portfolio Management Limited acting as the manager of Regal Real Estate Investment Trust, Everbright Grand China Assets Limited, CSI Properties Limited, Far East Consortium International Limited, Landing International Development Limited, Hao Tian International Construction Investment Group Limited and International Alliance Financial Leasing Co., Ltd.

Moreover, Mr. Shek is the honorary chairman and an independent non-executive director of Chuang's China Investments Limited, the vice chairman and an independent non-executive director of ITC Properties Group Limited as well as the chairman and an executive director of Goldin Financial Holdings Limited. The issued shares of all the aforesaid companies are listed and traded on the Main board of the Stock Exchange. He was an independent non-executive director of MTR Corporation Limited (a company listed on the Main Board of the Stock Exchange), SJM Holdings Limited (a company listed on the Main Board of the Stock Exchange) and Hop Hing Group Holdings Limited (delisted on 27 January 2022).

Mr. Shek is a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption, a Member of the Court and the Council of The University of Hong Kong and an Honorary Member of the Court of The Hong Kong University of Science and Technology. He was also a member of the Legislative Council for the Hong Kong Special Administrative Region of the PRC, representing the real estate and construction functional constituency from 2000 to 2021. He was the Vice-Chairman of the Independent Police Complaints Council in Hong Kong, a director of The Hong Kong Mortgage Corporation Limited and a non-executive director of the Mandatory Provident Fund Schemes Authority. He graduated from the University of Sydney, Australia with a Bachelor of Arts Degree and a Diploma in Education. Mr. Shek attained a Juris Doctor degree at The City University of Hong Kong on 1 June 2022.

The Company and Mr. Shek have entered into a service contract with no fixed term. In accordance with the provisions of the Articles of Association, he will be subject to retirement from office as director by rotation once every three years if re-elected at the 2022 AGM of the Company and will also be eligible for re-election at future AGMs. Mr. Shek presently receives an annual director's fee of HK\$350,000. The directors' fee is fixed by the Board pursuant to the authority granted by the Shareholders at the AGMs.

Mr. Shek will have served on the Board for more than 9 years at the time of the 2022 AGM. The Board has received from Mr. Shek an annual confirmation of his independence every year and taking into account the various factors as set out in Rule 3.13 of the Listing Rules and his actual contributions, his impartiality and independent judgement on various issues that he brings to the discussions during Board and Board committees meetings, the Board is satisfied with his independence and considers that Mr. Shek will continue to be independent and have the required character and experience to fulfill the role of an independent non-executive director of the Company and considers that the re-election of Mr. Shek as an independent non-executive director of the Company at the 2022 AGM is in the best interest of the Company and its shareholders as a whole.

Save as disclosed above, Mr. Shek has not held any directorship in any other listed public companies in the last three years and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Shek does not have any interests or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Saved as disclosed above, there are no other matters which need to be brought to the attention of the Shareholders, and there is no information which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

The following is a summary of the principal terms of the rules of the New Share Option Scheme. 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. The Directors reserve the right at any time prior to the 2022 AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix III.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The New Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

2. ELIGIBLE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's business, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 3.1 The total number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the "**Other Schemes**") shall not in aggregate exceed 33,103,344, representing 10% of the Shares in issue on the Adoption Date (the "**Scheme Mandate Limit**") unless the Company obtains an approval from the Shareholders pursuant to sub-paragraph 3.3 below. Options or awards cancelled or lapsed in accordance with the terms of the New Share Option Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) has been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the New Share Option Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit 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, rounded to the nearest whole share.
- 3.2 Subject to above sub-paragraph 3.1, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 3,310,334 Shares, representing 1% of the total number of Shares in issue on the Adoption Date (the "**Service Provider Sublimit**").
- 3.3 The Company may seek approval of its Shareholders in the general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit set out in paragraphs 3.1 and 3.2 above under the New Share Option Scheme after three years from the date of approval by the Shareholders for the adoption of the New Share Option Scheme or the last refreshment.

- 3.4 Any refreshment within any three-year period must be approved by Shareholders subject to that:
- (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.
- 3.5 The requirements under paragraphs 3.4(i) and 3.4(ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- 3.6 The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing all such information as may be required under the Listing Rules.
- 3.7 The Company may seek separate approval by its Shareholders in its general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and all such information as may be required under the Listing Rules. The number and terms of Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Options to be granted, the date of Board meeting for proposing such grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.
- 3.8 In addition to paragraph 3.3, if required under Rule 14.32A (effective from 1 January 2023) and other provisions under Chapter 14 of the Listing Rules, approval from the shareholders of LSD and/or LSG shall also be obtained if the Company proposes to increase or refresh the Scheme Mandate Limit.

4. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

Subject to paragraph 21 below, the total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the Date of Grant shall not exceed 1% of the Shares in issue at the Date of Grant (the “**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the twelve (12)-month period up to and including the relevant Date of Grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the Listing Rules. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

5. ACCEPTANCE OF OPTION

Offers to grant an Option shall be open for acceptance in writing. Such acceptance must be received by the company secretary of the Company (“**Company Secretary**”) within a period of 30 days inclusive of, and from, the Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the New Share Option Scheme or after the New Share Option Scheme has been terminated or by a person who ceases to be an Eligible Participant after such offer has been made. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the Eligible Participant with the number of Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of the Company of HK\$1.00 per Option by way of consideration for the grant thereof. Such consideration shall not be refundable.

Upon an offer of the grant of Options being accepted or deemed to have been accepted, each Option Holder gives the Company an unfettered right to publish an announcement relating to the terms of the offer in accordance with the Listing Rules.

6. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

Save as provided in paragraphs 7, 9 to 12 below, Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the Company Secretary must, prior to the expiry of the Option Period, have received: (i) a written notice from the Option Holder exercising the Option, signed by or on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is being exercised; and (ii) payment in full of an amount equal to the Option Price multiplied by the relevant number of Shares in respect of which such Option is exercised (the “**Subscription Price**”). Notwithstanding anything in provisions under the New Share Option Scheme to the contrary, the Option Period shall not be extended and, on the expiry of the Option Period, all rights in respect of an Option for the time being outstanding shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its obligations under the New Share Option Scheme in relation to such exercise.

7. VESTING PERIOD OF OPTION

7.1 Save for the circumstances prescribed in sub-paragraph 7.2 below, an Option must be held by the Option Holder for at least 12 months before the Option can be exercised.

7.2 A shorter vesting period may be granted to Employee Participants at the discretion of the Board or the Remuneration Committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (i) Grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) Grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) Grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (iv) Grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months;
- (v) Grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
- (vi) the Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the New Share Option Scheme.

8. OPTION PRICE

The Option Price (subject to adjustments in accordance with paragraph 15 below) shall be determined on the Date of Grant at the absolute discretion of the Directors as an amount per Share which shall be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a trading day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the Date of Grant; and (c) the nominal value of the Shares on the Date of Grant, provided that the Option Price shall be subject to adjustment in accordance with the provisions of paragraph 15 below.

9. RIGHTS ON WINDING UP

If notice is given of a general meeting of the Company at which a resolution will be proposed for the members' voluntary winding-up of the Company, each Option Holder shall be entitled, at any time not later than two business days prior to the proposed resolution being duly passed, to exercise his outstanding Options in whole or in part, but only so far as such Options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

10. RIGHTS ON A GENERAL OFFER

If, in consequence of any general offer made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of the Company, each Option Holder shall be entitled to exercise at any time within a period of (14) fourteen days after such control has been obtained the Option in whole or in part, unless the Directors (excluding the relevant Option Holder who is a Director) in their discretion notwithstanding the terms of the relevant Option, vary the option exercise period of such Options granted.

11. RIGHTS ON A COMPROMISE OR ARRANGEMENT

If a compromise or an arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holders on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or an arrangement, and thereupon any Option Holder (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his Option 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 each Option Holder to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option so as to place the Option Holders in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

12. RIGHTS ON CEASING EMPLOYMENT, DEATH/DISABILITY OR DISMISSAL

- (i) in the event of the Option Holder ceases to be an Eligible Participant because the Related Entity (to which the Eligible Participant is employed, holds directorship in or is a consultant therewith) ceases to be a Related Entity, then he may exercise all his outstanding Options within twelve (12) months after he so ceases and any such Options not so exercised shall lapse and determine at the end of the said period of twelve (12) months;
- (ii) in the event the Option Holder ceases to be an Eligible Participant by reason of death before exercising the Option in full and none of the events which would be a ground for termination of the Option Holder's employment, directorship, office, appointment or engagement under sub-paragraph (iii) below arises, prior to his or her death, the legal personal representative(s) of the Option Holder shall be entitled within a period of twelve (12) months from the date of death, to exercise the Option up to the entitlement of such Option Holder as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);
- (iii) In the event that the Option Holder ceases to be an Eligible Participant by reason of the termination of his employment, directorship, office, appointment or engagement on the grounds that he has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding up, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer, or an engaging party would be entitled to terminate his employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Option Holder's employment, service, agency or engagement contract (as the case may be) with the relevant company (as the case may be) or the employment, directorship, office, appointment or engagement of the Option Holder is terminated by the relevant company pursuant to the contract thereof without notice, and a resolution of the board of directors of the relevant member of the Group (as the case may be) to the effect that the employment, directorship, office, appointment or engagement of an Option Holder has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding, then all his outstanding Options shall lapse and determine on the date he so ceases;

- (iv) in the event that the Option Holder ceases to be an Eligible Participant by reason of his retirement in accordance with his contract of employment or service, any outstanding Option(s) may be exercised during the Option Period subject to the criteria and conditions set out in the Option Letter; and
- (v) for any reason other than as described in sub-paragraphs (i) to (iv) above, then all Options of his which are exercisable at the date he ceases to be an Eligible Participant may be exercised to the extent then exercisable within three (3) months of the date he so ceases and unless so exercised shall then lapse and determine;

Provided always that in each case the Directors in their absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

13. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of 10 years commencing on the Effective Date (“**Scheme Period**”).

14. LAPSE OF OPTION

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

14.1 the expiry of the Option Period;

14.2 the expiry of any of the periods referred to in paragraphs 9, 10 (unless otherwise determined by the Directors), 11 and 12 above;

14.3 the date on which the Option Holder commits a breach of paragraph 18 below, if the Directors shall exercise the Company’s right to cancel any outstanding Option or part thereof granted;

14.4 the date on which the Option is cancelled by the Directors as provided in paragraph 16 below.

The Company shall owe no liability to an Option Holder for the lapse of any Option under this paragraph 14.

15. ADJUSTMENT

In the event of any alteration in the capital structure of the Company which arises or may arise immediately following the commencement of the Scheme Period from any issue of shares in or other securities of the Company by way of reduction, subdivision or consolidation of the share capital of the Company or any capitalisation issue or rights issue which the Board considers an adjustment as necessary under this paragraph 15, the number or nominal amount of Shares comprised in each Option for the time being outstanding, the Option Price, the Individual Limit in relation to any Option Holder and/or the amounts of multiples of Shares capable of being exercised pursuant to the New Share Option Scheme, may be adjusted in such manner as the Directors (having received a statement in writing from the independent auditors or independent financial adviser of the Company, that in their opinion the adjustments proposed are fair and reasonable and at the same time satisfy the requirements of the Listing Rules) may deem appropriate, provided always that no such adjustment shall have the effect of rendering:-

- (a) the Option Price payable upon the exercise of any Option becoming less than the nominal amount of the Share;
- (b) the aggregate Subscription Price relating to any Option being increased;
- (c) the proportion of equity capital, rounded to the nearest whole share of the Company to which the Option Holder is entitled after the adjustment(s) becoming effective not being the same as that to which he was entitled before;
- (d) the aggregate percentage of the issued share capital of the Company available for the grant of Options shall not be greater than the Scheme Mandate Limit (subject to adjustments); and
- (e) the intrinsic value of any Option to have increased to the advantage of the Option Holder.

In addition, in respect of any adjustments under this paragraph 15, other than any made on a capitalisation issue, the auditors or independent financial adviser of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

16. CANCELLATION OF OPTIONS GRANTED

Options granted and accepted but not exercised may not be cancelled without the consent of the relevant Option Holder thereof and any new Options (or any other options) issued in replacement of Options cancelled may only be issued under the New Share Option Scheme (or the Other Schemes) with available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

17. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in the general meeting may at any time terminate the operation of the New Share Option Scheme before the expiry of the Scheme Period and in such event, no further offer to grant an Option shall be made but in all other respects the provisions of the New Share Option Scheme shall remain in force. Upon such termination, details of the Options granted (including options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of the termination under the New Share Option Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any existing Other Scheme after such termination. All Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New Share Option Scheme, and accordingly no relevant disclosure in relation to Options that become void or non-exercisable as a result of the termination will be included in the circular to the Shareholders as such disclosure is not applicable.

18. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Option Holder and shall not be transferable and no Option Holder 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, unless a waiver is granted by the Stock Exchange. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder.

19. ALTERATION OF THE NEW SHARE OPTION SCHEME

19.1 The Directors may from time to time in their absolute discretion waive or amend such of the provisions of the New Share Option Scheme as they deem desirable, provided that, except with the prior sanction of the Shareholders in the general meeting, no alteration shall be made to the New Share Option Scheme altering to the advantage of the Option Holders (present or future) any of the provisions of the New Share Option Scheme as to the definitions of “Eligible Participant”, “Option Period” and “Scheme Period” in sub-paragraph 1.1 of the New Share Option Scheme, the terms and conditions of the New Share Option Scheme which are of a material nature and all such other matters set out in Rule 17.03 of the Listing Rules.

19.2 No amendments to the New Share Option Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of the Option Holders except with such consent on their part as would be required under the provisions of the articles of association for the time being of the Company as if the Options constituted a separate class of share capital and as if such provisions applied mutatis mutandis thereto.

19.3 Change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

19.4 Save as otherwise provided in the terms of the New Share Option Scheme, an amendment of a material nature to the New Share Option Scheme may not be made by the Directors, without the prior approval of Shareholders in the general meeting.

19.5 The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of the Listing Rules.

19.6 Any change to the authority of the Directors or scheme administrators in relation to alter the terms of the New Share Option Scheme must be approved by the Shareholders in the general meeting.

20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

Unless otherwise imposed by the Directors and stated in the relevant offer letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

21. GRANT OF OPTIONS TO CONNECTED PERSONS

21.1 In addition to paragraph 4 above, any grant of Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or their respective Associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the relevant Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules.

21.2 Where Options are proposed to be granted to an independent non-executive Director or a substantial Shareholder, or any of their respective associates and if such grant would result in the total number of Shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme) granted to such person in the 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the relevant class of Shares, then the proposed grant must be subject to the approval of Shareholders taken on a poll in a general meeting.

21.3 In the circumstances described in paragraph 21.2 above, the Company must send a circular to the Shareholders setting out the details as required under Rule 17.04(5) of the Listing Rules. The relevant Option Holder, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules.

22. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall take effect upon satisfaction of the following conditions: -

22.1 the passing of the necessary resolutions by the Shareholders in a general meeting to adopt the New Share Option Scheme and to authorize the Directors to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;

22.2 the passing of the necessary resolutions by the shareholders of LSD and LSG in their respective general meetings to approve the adoption of the New Share Option Scheme by the Company; and

22.3 the approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options under the New Share Option Scheme, being granted by the Listing Committee. If such approval, listing or permission is not granted, then the New Share Option Scheme shall forthwith determine and any Option granted or agreed to be granted pursuant to provisions of the New Share Option Scheme and any offer of Options shall be of no effect after which, no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the New Share Option Scheme or any Option.

23. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the Option Holder (or any other person) as the holder of those Shares.

24. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

No offer of an Option shall be made and no Option shall be granted to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision or inside information has come to the Company's knowledge until such price sensitive information or inside information has been publicly disseminated in accordance with the Listing Rules or during any period of time which is prohibited from any such offer and/or grant under the Listing Rules or any applicable law.

The following are the proposed amendments to the Existing M&A brought about by the adoption of the New Amended and Restated M&A. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the Existing M&A.

Memorandum No. Proposed amendments (showing changes to the Existing M&A)

- 6. The share capital of the Company is HK\$25,000,000,000 divided into 201,000,000,000 shares of a nominal or par value of HK\$0.105.00 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (As 2013 Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.
7. If the Company is registered as exempted, its operation will be carried on subject to the provisions of Section 174 of the Companies Act (As 2013 Revised) and, subject to the provisions of the Companies Act (As Revised) Companies Law (2013 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

Article No. Proposed amendments (showing changes to the Existing M&A)

- 1. The regulations contained in Table A in the First Schedule to the Companies Act shall not apply to the Company.
2. 'the Companies Act' or 'the Act' shall mean the Companies Act (2013-As Revised), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
'dividend' shall include bonus dividends and distributions permitted by the Act to be categorised as dividends;
'electronic communication' shall mean a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other electron magnetic means in any form through any medium;

Exclusion of Table A

the Companies Act/the Act

dividend

electronic communication

Article No. Proposed amendments (showing changes to the Existing M&A)

“electronic facilities” shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video communication, internet or online conferencing application or telecommunications facilities by means of which all shareholders participating in a meeting are capable of hearing and be heard by each other;

electronic facilities

“electronic means” shall include sending or otherwise making available to the intended recipients of the communication in electronic format;

electronic means

“electronic meeting” shall mean a general meeting held and conducted wholly and exclusively by virtual attendance and participation by members and/or proxies (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) by means of electronic facilities;

electronic meeting

“Electronic Record” has the same meaning as in the Electronic Transactions Law Act;

Electronic Record

“Electronic Transactions Act Law” shall mean the Electronic Transactions Law Act (As 2003 Revised) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

Electronic Transactions Law Act

“hybrid meeting” shall mean a general meeting convened for the (i) physical attendance by members and/or proxies (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by members and/or the proxies (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) by means of electronic facilities;

hybrid meeting

“Meeting Location(s)” shall have the meaning given to it in Article 79(b);

Meeting Location(s)

“physical meeting” shall mean a general meeting held and conducted by physical attendance and participation by members and/or proxies (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) at the Principal Meeting Place and/or where applicable, one or more Meeting Locations;

physical meeting

“Principal Meeting Place” shall have the meaning given to it in Article 73;

Principal Meeting Place

Article No. Proposed amendments (showing changes to the Existing M&A)

“special resolution” shall have the same meaning as ascribed thereto in the LawAct and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 84;

special resolution

Subject as aforesaid, any words defined in the LawAct shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;

Words in LawAct to bear same meaning in Articles

reference to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and any requirements as to execution or signature under these Articles can be satisfied in the form of an electronic signature as defined in the Electronic Transactions LawAct, and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not, and any requirements as to delivery under these Articles includes delivery in the form of an Electronic Record;

reference

sections 8 and 19(3) of the Electronic Transactions LawAct shall not apply;

3. The capital of the Company at the date of the adoption of these Articles is HK\$25,000,000,000 divided into 201,000,000,000 shares of a nominal or par value of HK\$0.105.00 each.

Capital

4. Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the LawAct and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer for so long as a recognised clearing house (in its capacity as such) is a member of the Company.

Issue of shares

- | Article No. | Proposed amendments (showing changes to the Existing M&A) | |
|-------------|---|--|
| 6. | <p>(a) If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Law Act, be varied or abrogated with the consent in writing of the holders of not less than <u>at least</u> three-fourths of the <u>voting rights of the holders holding shares in that class</u> in nominal value of the issued shares of that class or with the sanction of a special resolution passed by <u>at least three-fourths of the votes cast by the holders of shares of that class present and voting in person or by proxy</u> at a separate meeting of such <u>the</u> holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy) at the date of the relevant meeting not less than <u>at least</u> one-third in nominal value of the issued shares of that class, and that any holder of shares of the class present in person or by proxy may demand a poll.</p> | How class rights may be modified |
| 7. | <p>Subject to the Law Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.</p> | Company may purchase and finance the purchase of own shares and warrants |

Article No.	Proposed amendments (showing changes to the Existing M&A)	
9.	(a) Subject to the provisions of the Law Act and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.	Redemption
11.	Subject to the provisions of the Law Act, of the Memorandum of Association of the Company, and of these Articles relating to new shares, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Board shall determine.	Shares at the disposal of the Board
12.	The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Law Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.	Company may pay commission
14.	(a) The Board shall cause to be kept at such place within or outside the Cayman Islands as they deem fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the Law Act. (d) Notwithstanding anything contained in this Article, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies Law Act.	Share register

- Article No.** **Proposed amendments (showing changes to the Existing M&A)**
15. (c) The register may, by giving a notice in accordance with the Listing Rules, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in ~~each~~ any year (or such longer period in any year as the members may by ordinary resolution determine in that year, provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.
16. Every person whose name is entered as a member in the register shall be entitled to receive, within any relevant time limit as prescribed in the ~~Law~~ Act or as the Exchange may from time to time determine, whichever is shorter, without payment, after allotment or, subject to payment of any fees which may be payable pursuant to Article 43, after lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, upon payment, in the case of a transfer, of a sum equal to the relevant maximum amount as the Exchange may from time to time determine for every certificate after the first or such lesser sum as the Board shall from time to time determine, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.
23. The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the holder immediately before such sale of the share. For giving effect to any such ~~sale~~, the Board may authorise any person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Share certificates

Application or proceeds of such sale

Article No. Proposed amendments (showing changes to the Existing M&A)

59. Subject to the Companies Law Act, the Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution re-convert any stock into fully paid up shares of any denomination.

Power to convert into stock

63. (a)(ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Law Act; and

(a)(iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the Law Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

(b) The Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any manner authorised and subject to any conditions prescribed by Law Act.

Reduction of capital

68. (a) The Board shall cause a proper register to be kept, in accordance with the provisions of the Law Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Law Act in regard to the registration of mortgages and charges therein specified and otherwise.

Register of charges to be kept

70. The Company ~~must~~ ~~shall in each year~~ hold a general meeting as its annual general meeting in addition to any other meeting in ~~that year~~ each financial year, and such annual general meeting shall be held within six months after the end of the Company's financial year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) and shall specify the meeting as such in the notice calling it. between the date of one annual general meeting of the Company and that of the next. So as long as the first annual general meeting of the Company is held within 15 months from the date of its incorporation, it need not be held in the year of its incorporation. The annual general meeting shall be held at such time and place as the Board shall appoint.

When annual general meeting to be held

Article No. Proposed amendments (showing changes to the Existing M&A)

71. All general meetings other than annual general meetings shall be called extraordinary general meetings. All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Article 79(b), as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.

Extraordinary
general
meeting

71A. Any general meeting may be held with the Members present at the meeting being present at more than one place provided that such technology is used which enables the Members in different places to listen, speak, communicate and vote at the meeting. The meeting shall be deemed to take place at the meeting location at which the Chairman is present.

General
meetings at
two or more
places

72. The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary gGeneral meetings shall also be convened on the written requisition of any ~~one~~two or more member(s) of the Company (including a recognised clearing house (or its nominees)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist(s), provided that such requisitionist(s) held as at the date of deposit of the requisition not less than one-tenth of the ~~paid up capital of the Company which carries the right of voting at general meetings of the Company~~voting rights, on a one vote per share basis, in the share capital of the Company and the foregoing members shall be able to add resolutions to the meeting agenda. ~~General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.~~ If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Convening of
extraordinary
general
meeting

Article No. Proposed amendments (showing changes to the Existing M&A)

73. (a) An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify (a) the time and date of the meeting, (b) if the general meeting is to be physical meeting or hybrid meeting, the place of the meeting and if there is more than one Meeting Location as determined by the Board pursuant to Article 79(b), the principle place of the meeting (the "Principal Meeting Place"), (c) if the general meeting is to be hybrid meeting or electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting (which electronic facilities may vary from time to time and from meeting to meeting as the Board, in its absolute discretion, may see fit) or where such details will be made available by the Company prior to the meeting, and (d) , place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 75) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

Notice of meetings

76. For all purposes the quorum for a general meeting shall be two members present (including attendance by electronic means) in person or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.

Quorum

77. If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and (where applicable) such place and in such form and manner referred to in Article 71 as the Chairman of the meeting (or in default, the Board) may absolutely determineas shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person or by proxy shall be a quorum and may transact the business for which the meeting was called.

When if quorum not present meeting to be dissolved and when to be adjourned

Article No. Proposed amendments (showing changes to the Existing M&A)

78. (a) The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.

Chairman of general meeting

(b) If the Chairman of a general meeting is participating in the general meeting using an electronic facility or facilities and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Article 78(a) above) shall preside as a Chairman of the meeting unless and until the original Chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.

79. (a) Subject to Article 79(e), tThe Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days’ notice, specifying details as provided in Article 73(a) the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Power to adjourn general meeting/ business of adjourned meeting

(b) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“Meeting Location(s)”) determined by the Board at its absolute discretion. Any member or any proxy attending and participating in such way or any member or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

Power to arrange participation by means of electronic facilities

Article No. Proposed amendments (showing changes to the Existing M&A)

(c) All general meetings are subject to the following and, where appropriate, all references to a “member” or “members” in this sub-paragraph (c) shall include a duly authorised representative or duly authorised representatives or a proxy or proxies respectively:

(i) where a member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;

Commencement of hybrid meeting

(ii) members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy at a Meeting Location and/or members attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to speak, communicate and vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the Chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that members at all Meeting Locations and members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;

Quorum in relation to electronic or hybrid meeting

(iii) where members attend a meeting by being present at one of the Meeting Locations and/or where members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and

Validity of resolutions if there has been failure of electronic facilities or communication equipment during hybrid meeting

Article No. Proposed amendments (showing changes to the Existing M&A)

(iv) if any of the Meeting Location is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the notice for the meeting.

(d) The Board and, at any general meeting, the Chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who, pursuant to such arrangements, is entitled to attend, in person or (in the case of a member being a corporation by its duly authorised representative) or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

Managing attendance and/or participation and/or voting in an electronic meeting or a hybrid meeting by means of electronic facilities

(e) If it appears to the chairman of the general meeting that:

Power of chairman to interrupt or adjourn meeting

(i) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 79(b) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of the meeting; or

(ii) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or

(iii) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to speak, communicate and/or vote at the meeting; or

Article No. Proposed amendments (showing changes to the Existing M&A)

(iv) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting

then, without prejudice to any other power which the Chairman of the meeting may have under these Articles or at common law, the Chairman may, at his/her absolute discretion without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

(f) The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the Chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

Power of the Board and chairman to make arrangement or impose requirement or restriction to ensure the security and orderly conduct of a meeting

Article No. Proposed amendments (showing changes to the Existing M&A)

- (g) If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:
- (i) when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of a meeting);
- (ii) when only the form of the meeting or electronic facilities specified in the notice are changed, the Board shall notify the members of details of such change in such manner the Board may determine;
- (iii) when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 79(a), unless already specified in the original notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than 48 hours before the time of the postponed meeting; and

Article No. Proposed amendments (showing changes to the Existing M&A)

(iv) notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original notice of general meeting circulated to the members.

(h) All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 79(e), any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

(i) Without prejudice to other provisions in Article 79(a), a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

Physical meeting may also be held by means of other communication facilities

80. Other than a general meeting which is a hybrid or electronic meeting on which a resolution put to the vote of the meeting shall be decided by way of a poll, at any general meeting that is a physical meeting, a resolution put to the vote of the 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 duly demanded or is required by the Listing Rules or any other applicable laws. A poll may be demanded by:

Right to demand a poll and what is to be evidence of the passing of a resolution where poll not demanded

- (a) the Chairman of the meeting; or
- (b) at least three members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights, on a one vote per share basis, of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Article No. Proposed amendments (showing changes to the Existing M&A)

Unless a poll is so demanded or is required by the Listing Rules or any other applicable laws and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

81. (a) If a poll is demanded or is required as aforesaid, it shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets or through electronic facilities) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting or postponed meeting at which the poll was demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier. Poll

82. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment or postponement shall be taken at the meeting and without adjournment or postponement. In what case poll taken without adjournment

85. (a) Subject to Article 84A and any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who is present in person (or, in the case of a member being a corporation by its duly authorised representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid up share of which he is the holder but no amount paid up or credited as paid up on a share in advance of calls shall be treated for the foregoing purposes as paid up on the share. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the Chairman of the meeting may determine. Votes of members

(b) Members present in person (or being a corporation, present by a duly authorised representative), or by proxy(ies) shall have the right to (a) speak and/or communicate 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.

Article No. Proposed amendments (showing changes to the Existing M&A)

86. Any person entitled under Article 46 to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting or postponed meeting (as the case may be) at which he proposed to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Votes in respect of deceased and bankrupt members

89. (b) No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting or postponed meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the Chairman of the meeting shall determine the same and such determination shall be final and conclusive.

Objections to voting

90. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. A proxy need not be a member. Every member being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer. and A proxy so appointed shall be entitled to, on behalf of the member being represented exercise the same rights and powers have the same right as the member (whether such member is an individual or a corporation) could exercise as if such proxy were an individual member holding the number and class of shares specified in the instrument of proxy, including the right to speak, communicate and vote, and where a show of hands is allowed, the right to vote individually on a show of hands. to speak at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).

Proxies

Article No. Proposed amendments (showing changes to the Existing M&A)

92. (a) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Article or if no electronic address is so designated by the Company for the receipt of such document or information.

Electronic address for the receipt of any document or information relating to proxies for a general meeting

Article No. Proposed amendments (showing changes to the Existing M&A)

(b) 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 notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or postponed 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 or postponed meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Delivery of authority for appointment of proxy or copy resolution appointing representative

95. A vote given in accordance with the terms of an instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 92, at least two hours before the commencement of the meeting or adjourned meeting or postponed meeting at which the proxy is used.

When vote by proxy/ representative valid though authority revoked

Article No. Proposed amendments (showing changes to the Existing M&A)

96. (b) If a recognised clearing house (or its nominee) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) or representatives at any general meeting of the Company (including but not limited to any general meeting and creditors meeting) or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that recognised clearing house (or its nominee) could exercise if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including the right to speak, communicate and vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

99. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following first annual general meeting of the Company (in the case of filling a casual vacancy) after his appointment or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116.

Board may fill vacancies/ appoint additional Directors

112. (a) Subject to any exercise by the Board of the powers conferred by Articles 113 to 115, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Law Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Law Act and of these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

General powers of Company vested in Board

Article No. Proposed amendments (showing changes to the Existing M&A)

119. The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the LawAct, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Power of general meeting to increase or reduce the number of Directors

121. The Company shall keep at its office a register of directors and officers containing their names and addresses and occupations and any other particulars required by the LawAct and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to its Directors and officers as required by the LawAct.

Register of Directors and notification of changes to Registrar

122. (a) Members of theThe Company may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages the Company and/or the Director may have under any such agreement) and may by ordinary resolution elect another person in his stead at the same general meeting. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.

Power to remove Director by ordinary resolution

Article No. Proposed amendments (showing changes to the Existing M&A)

- 123.

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in any part of the world and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum in place of the Director who appointed him and an alternate Director who is an alternate for more than one Director shall for quorum purposes be counted separately in respect of himself (if he is a Director) and in respect of each Director for whom he is an alternate (but so that nothing in this provision shall be construed as authorising a meeting to be constituted when only one person is physically present). A meeting of the Board or any committee of the Board may be held by means of a telephone or tele-conferencing or any other ~~telecommunications~~ facility/electronic facilities provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Meetings of Directors/
Quorum etc.
- 124.

A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director either in writing or by telephone or by facsimile, telex or telegram at the address or telephone, facsimile or telex number from time to time notified to the Company by such Director or by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or in such other manner as the Board may from time to time determine.

Covering of board meeting
- 133.

A resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 100(c)) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Article.

Directors' resolution
- 134.

The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the ~~Law Act~~ or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.

Appointment of Secretary

Article No.	Proposed amendments (showing changes to the Existing M&A)	
135.	A provision of the Law Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.	Same person not to act in two capacities at once
142.	The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the Law Act.	Power to capitalise
144.	(a) Subject to the Law Act and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.	Power to declare dividends
148.	(a) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the Companies Law Act. The Company shall at all times comply with the provisions of the Companies Law Act in relation to the share premium account.	Share Premium and Reserves

Article No.	Proposed amendments (showing changes to the Existing M&A)	
152.	The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Law Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.	Dividend in specie
159.	The Board shall make the requisite annual returns and any other requisite filings in accordance with the Law Act .	Annual returns and filings
160.	The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Law Act .	Accounts to be kept
161.	The books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the Law Act , at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.	Where accounts are to be kept
162.	The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Law Act or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.	Inspection by members

Article No. Proposed amendments (showing changes to the Existing M&A)

- 165. (a) At the annual general meeting or at subsequent extraordinary general meeting in each year, tThe members of the Company shall by ordinary resolution at any annual general meeting appoint an auditor or auditors of the Company and determine the remuneration of such auditor or auditors, and such auditor or auditors who shall hold office until the next annual general meeting. The remuneration of the auditor or auditors shall be fixed by the members by ordinary resolution in general meeting or by other body that is independent of the board of directors, unless prohibited by the Listing Rules, except that in any particular year the members may delegate the power to fix such remuneration of the Auditor to the Board by way of ordinary resolution in general meeting.
- (b) The members may, at any general meeting convened and held in accordance with these Articles, by ordinary 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. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board.
- (c) No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board 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 Board under this Article may be fixed by the Board.
- 176. (a) A voluntary winding up of the Company shall be approved by special resolution of the members in a general meeting.

Appointment and remuneration of Auditors

Article No.	Proposed amendments (showing changes to the Existing M&A)	
	(b) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the LawAct divide among the members <i>in specie</i> or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the LawAct , shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.	Power to distribute assets <i>in specie</i> following liquidation
179.	(a) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office all in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the LawAct .	Indemnities of Directors and officers
	(b) To the extent permitted by the provisions of the LawAct , if any Director or other officer of the Company shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or other officer of the Company so becoming liable as aforesaid from any loss in respect of such liability.	
	(c) To the extent permitted by the provisions of the LawAct , the Company may purchase insurance for any Director or other officer of the Company against liabilities incurred by him.	
180.	The financial year <u>end</u> of the Company shall be <u>31 July in each year unless prescribed otherwise</u> by the Board and may, from time to time, be changed by it.	Financial year
181.	Subject to the LawAct , the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association and Articles of Association in whole or in part.	Amendment of Memorandum and Articles

NOTICE OF ANNUAL GENERAL MEETING



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1125)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (“**AGM**”) of the members (“**Members**”) of Lai Fung Holdings Limited (“**Company**”) will be held at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 9:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To consider and adopt the audited financial statements for the year ended 31 July 2022 (“**Year**”) and the reports of the directors and the independent auditor of the Company thereon;
2. To re-elect, each as a separate Ordinary Resolution, four retiring directors of the Company (“**Directors**”) and to authorise the board of Directors (“**Board**”) to fix the Directors’ remuneration;
3. To re-appoint Ernst & Young, Certified Public Accountants of Hong Kong (“**Ernst & Young**”) as the independent auditor of the Company and to authorise the Board to fix their remuneration; and
4. To consider and, if thought fit, pass with or without amendments, the following resolutions as **Ordinary Resolutions**:
 - (A) “**THAT**:
 - (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-backs for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of the shares to be bought back pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the total number of issued shares of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the members of the Company in general meeting; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Amended and Restated Articles of Association of the Company to be held.”

(B) “**THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares in the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into shares in the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into shares in the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) an issue of shares in the Company upon the exercise of rights of subscription, exchange or conversion under the terms of any of the options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into shares in the Company); or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) an issue of shares in the Company as scrip dividends pursuant to the Amended and Restated Articles of Association of the Company from time to time; or
- (iv) an issue of shares in the Company under any award or option scheme or similar arrangement for the grant or issue to eligible participants under such scheme or arrangement of shares in the Company or rights to acquire shares in the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; 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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the members of the Company in general meeting; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Amended and Restated Articles of Association of the Company to be held; and

“Rights Issue” means an offer of shares in the Company open for a period fixed by the Directors to the holders of shares whose names appear on the Register of Members and/or the Hong Kong Branch Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the applicable requirements of any recognised regulatory body or any stock exchange).”

- (C) “**THAT** subject to the passing of the Ordinary Resolutions Nos. 4(A) and 4(B) in the notice convening this meeting, the general mandate granted to the directors of the Company (“**Directors**”) and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the addition thereto of an amount representing the total number of shares which has been bought back by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the powers of the Company to buy back such shares, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an **Ordinary Resolution**:

“**THAT**:

- (a) the authorised share capital of the Company be increased from HK\$2,000,000,000 divided into 400,000,000 shares of HK\$5.00 each (the “**Shares**”) to HK\$5,000,000,000 divided into 1,000,000,000 Shares by the creation of an additional 600,000,000 Shares (the “**Increase in Authorised Share Capital**”), such Shares shall rank *pari passu* in all respects; and
- (b) any one or more of the directors or the company secretary of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

6. To consider and, if thought fit, pass with or without amendments, the following resolutions as **Ordinary Resolutions**:

(A) “**THAT**:

- (a) conditional upon (i) the passing of an ordinary resolution by the shareholders of Lai Sun Development Company Limited at its general meeting approving the share option scheme of the Company, a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification (the “**New Share Option Scheme**”); (ii) the passing of an ordinary resolution by the shareholders of Lai Sun Garment (International) Limited at its general meeting approving the New Share Option Scheme; and (iii) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any shares of the Company which may fall to be issued pursuant to the exercise of options to be granted under the New Share Option Scheme, the New Share Option Scheme be and is hereby approved and adopted;
- (b) the directors of the Company be and are hereby authorised 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:
- (i) 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;
- (ii) 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;

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- (iii) to grant options to subscribe for Shares under the New Share Option Scheme and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme and subject to the Listing Rules;
 - (iv) to make application at the appropriate time or times to the Listing Committee of the Stock Exchange and any other stock exchanges upon which the issued Shares 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 allotted and issued pursuant to the exercise of the options under the New Share Option Scheme; and
 - (v) 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.”
- (B) “**THAT** the Service Provider Sublimit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share schemes of the Company be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”
7. To consider and, if thought fit, pass with or without amendments, the following resolution as a **Special Resolution**:
- “**THAT**:
- (a) the second amended and restated memorandum and articles of association of the Company, a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the memorandum and articles of association of the Company, in substitution for, and to the exclusion of, the existing amended and restated memorandum and articles of association of the Company with immediate effect after the close of this meeting; and

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- (b) any director or the company secretary of the Company be and is hereby authorised to do all such acts as he/she deems fit to effect the adoption of the second amended and restated memorandum and articles of association of the Company and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in the Cayman Islands and Hong Kong.”

By Order of the Board
Lai Fung Holdings Limited
Yim Lai Wa
Company Secretary

Hong Kong, 17 November 2022

Registered Office:
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong:
11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

Notes:

- (1) A Member entitled to attend and vote at the AGM convened by the above notice (“**Notice**”) or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more shares of HK\$5.00 each in the share capital of the Company (“**Shares**”), more than one) proxy to attend and, on a poll, vote on his/her/its behalf in accordance with the Articles of Association of the Company, as amended, modified and/or supplemented from time to time (“**Articles of Association**”). A proxy need not be a Member. A form of proxy for use at the AGM or its adjournment (as the case may be) is enclosed with the Company’s circular dated 17 November 2022 (“**Circular**”).
- (2) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited (“**Registrar**”), at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or its adjourned meeting (as the case may be) and in default, the proxy will not be treated as valid. Completion and return of the form of proxy shall not preclude Members from attending in person and voting at the AGM or any of its adjourned meeting should they so wish. In that event, the said form(s) of proxy shall be deemed to be revoked.
- The contact phone number of the Registrar is (852) 2980 1333.
- (3) To ascertain the entitlements to attend and vote at the AGM, Members must lodge the relevant transfer document(s) and share certificate(s) at the office of the Registrar no later than 4:30 p.m. on Monday, 12 December 2022 for registration.
- (4) Where there are joint registered holders of any Shares, any one of such joint holders may attend and vote at the AGM or its adjourned meeting (as the case may be), either in person or by proxy, in respect of such Shares as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the AGM or its adjourned meeting (as the case may be) personally or by proxy, then one of such holders so present whose name stands first in the Register of Members or Hong Kong Branch Register of Members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

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- (5) Concerning agenda item 2 of this Notice,
- (i) in accordance with Article 116 of the Articles of Association, Messrs. Lam Kin Hong, Matthew, Cheng Shin How, Lam Bing Kwan and Shek Lai Him, Abraham will retire from office as Directors by rotation at the AGM and, being eligible, offer themselves for re-election; and
 - (ii) in accordance with Rule 13.74 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”), the particulars of the aforesaid Directors are set out in Appendix II to the Circular.
- (6) Concerning agenda item 3 of this Notice, the Board (which concurs with the Audit Committee of the Company) has recommended that subject to the approval of Members at the AGM, Ernst & Young be re-appointed independent auditor of the Company for the year ending 31 July 2023 (“Year 2023”). Members should note that in practice, independent auditor’s remuneration for the Year 2023 cannot be fixed at the AGM because such remuneration varies by reference to the scope and extent of audit and other works which the independent auditor are being called upon to undertake in any given year. To enable the Company to charge the amount of such independent auditor’s remuneration as operating expenses for the Year 2023, Members’ approval to delegate the authority to the Board to fix the independent auditor’s remuneration for the Year 2023 is required, and is hereby sought, at the AGM.
- (7) Details regarding Ordinary Resolutions Nos. 4(A) to 4(C) are set out in the Circular.
- (8) With reference to Ordinary Resolution No. 6 above, the principal terms of the rules of the proposed new share option scheme of the Company are set out in Appendix III to the Circular.
- (9) With reference to Special Resolution No. 7 above, the new amended and restated M&A of the Company are written in English. The Chinese translation of the new amended and restated M&A of the Company is for reference purpose only. In case of any inconsistency between the English and Chinese versions, the English version shall prevail. Details of the proposed amendments are set out in Appendix IV to the Circular.
- (10) In compliance with Rule 13.39(4) of the Listing Rules, voting on all resolutions proposed in this Notice will be decided by way of a poll.
- (11) If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time after 7:00 a.m. on the date of the AGM, the AGM will be postponed and the Members will be informed of the date, time and venue of the postponed AGM by a supplementary notice posted on the respective websites of the Company and the Stock Exchange.

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is cancelled at or before 7:00 a.m. on the date of the AGM and where conditions permit, the AGM will be held as scheduled.

The AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

Having considered their own situations, Members should decide on their own whether or not they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.

- (12) In light of the epidemic situation of the novel coronavirus (COVID-19), certain measures will be implemented at the AGM or its adjourned meeting (as the case may be) with a view to addressing the risk to attendees of infection, including the following:
- (a) all attendees will be required to undergo body temperature check;
 - (b) all attendees will be required to scan the “LeaveHomeSafe” venue QR code at the entrance of the venue of the AGM, and comply with the requirements of the Vaccine Pass Direction under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong);

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- (c) *any attendees who are subject to health quarantine prescribed by the Government of the Hong Kong Special Administrative Region of the People's Republic of China will not be admitted to the venue of the AGM;*
 - (d) *all attendees will be required to wear surgical face masks throughout the AGM;*
 - (e) *each attendee will be assigned a designated seat at the time of registration to ensure social distancing;*
 - (f) *any person who does not comply with the measures above may be denied entry into, or be required to leave, the venue of the AGM; and*
 - (g) *no refreshments or beverages will be provided, and there will be no corporate gifts.*
- (13) *The Company reminds Members that they should carefully consider the risks of attending the AGM, taking into account their own personal circumstances. The Company would like to remind Members that attending the AGM in person is not necessary for the purpose of exercising their voting rights and **strongly recommends that Members appoint the Chairman of the AGM as their proxy** and submit their form of proxy as early as possible. In light of the risks posed by the COVID-19 pandemic, the Company **strongly encourages Members NOT to attend the AGM in person.***
- (14) *The Company will keep the evolving COVID-19 situation under review and may implement additional measures (which it will announce closer to the date of the AGM).*