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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in Wharf Real Estate Investment Company Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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# WHARF

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*Established 1886*

## WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1997

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### RE-ELECTION OF DIRECTORS, GENERAL MANDATES FOR BUY-BACK AND ISSUE OF SHARES, ADOPTION OF SHARE OPTION SCHEME, ADOPTION OF NEW ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

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#### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

As a courtesy to other Shareholders, we recommend that you do not attend the AGM in person if you test COVID-19 positive or display symptoms of COVID-19. As a precautionary measure, we recommend you first submit a proxy form to appoint the Chairman of the AGM to vote on your behalf. In the event you can attend in person on the day, your proxy will be cancelled and you may vote in person. **Please note that no refreshment or corporate souvenir will be provided at the AGM.**

A notice convening the AGM of Wharf Real Estate Investment Company Limited to be held in Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong, on Tuesday, 9 May 2023 at 11:15 a.m. is set out on pages 41 to 45 of this circular. A proxy form for use at the AGM is enclosed. This circular together with the proxy form are published on the respective websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wharfreic.com](http://www.wharfreic.com)). Whether or not you intend to attend the AGM, or any adjournment thereof, you are requested to complete the proxy form and return it to the Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than 11:15 a.m. on Friday, 5 May 2023, or in case of any adjournment thereof, not less than 48 hours (exclusive of any part of a day which is not a business day) before the time appointed for the holding of such adjourned meeting. Return of the completed proxy form will not preclude Shareholders from attending and voting at the AGM, or any adjournment thereof, if they so wish.

4 April 2023

## DEFINITIONS

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

“Adoption Date”	9 May 2023, the date on which the Share Option Scheme is conditionally adopted by resolution of the Shareholders
“AGM”	the annual general meeting of the Company to be held at 11:15 a.m. on 9 May 2023 (Tuesday) at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong, or any adjournment thereof
“Allotment Date”	the date on which Shares are allotted to a Grantee pursuant to the exercise of an Option under the Share Option Scheme
“Applicable Laws”	any applicable laws and regulations of Hong Kong or the Cayman Islands or other relevant jurisdictions (including but not limited to the Listing Rules and the Takeovers Code), in the context where applicable or as indicated
“Articles”	the existing amended and restated articles of association of the Company
“associate”	shall have the meaning ascribed to it in the Listing Rules
“Auditors”	the auditors of the Company for the time being
“Board”	the board of Directors
“Branch Share Registrar”	the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited
“business day”	shall have the meaning ascribed to it in the Listing Rules
“Category A Participant”	any director or any Employee of the Company or of any of its subsidiaries from time to time
“Category B Participant”	any director or employee (whether full time or part time) of any of the Related Entities from time to time
“chief executive”	shall have the meaning ascribed to it in the Listing Rules
“close associate”	shall have the meaning ascribed to it in the Listing Rules
“Company”	Wharf Real Estate Investment Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“connected person”	shall have the meaning ascribed to it in the Listing Rules
“controlling shareholder”	shall have the meaning ascribed to it in the Listing Rules
“core connected person”	shall have the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Effective Date”	the date on which the conditions referred to in paragraph 2 in Appendix III to this circular are fulfilled
“Eligible Participant(s)”	a person who is a Category A Participant and/or Category B Participant and is determined to be qualified for the Options by the Board in its absolute discretion
“Employee”	any employee employed by any member(s) of the Group from time to time (whether full time or part time), including persons who are granted Options under the Share Option Scheme as an inducement to enter into employment contracts with any of such companies
“Exercise Period”	in respect of any particular Option, the period (which shall not be more than 10 years from the Grant Date) to be notified by the Board to each Grantee which the Board may in its absolute discretion determine
“Exercise Price”	the price per Share payable by a Grantee on the exercise of an Option as determined in accordance with the provisions of the Share Option Scheme
“Government”	the Government of Hong Kong
“Grant Date”	in respect of any particular Option, the business day on which that Option is deemed to have been granted in accordance with the Share Option Scheme
“Grantee”	any Eligible Participant who accepts an Offer pursuant to the terms and conditions of the Share Option Scheme or (where the context permits) the Personal Representative of that Eligible Participant (being an individual) or the Permitted Transferee
“Grounds for Termination”	means, in relation to a Grantee, that (i) the Grantee’s conduct has been such as to entitle the Company, its subsidiary or the Related Entity (as the case may be) to terminate his/her employment (or, in the case of a director, remove him/her from office), whether or not such right to terminate has been exercised, or (ii) the Grantee is bankrupt, or (iii) the Grantee has been convicted of any criminal offence involving his/her integrity or honesty

“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“INED(s)”	Independent Non-executive Director(s) of the Company, unless where the context otherwise specified
“Latest Practicable Date”	29 March 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“New Articles”	the second amended and restated articles of association (incorporating the amendments set out in Appendix IV to this circular) proposed to be approved and adopted by the Shareholders with effect from the passing of the relevant special resolution at the AGM
“Offer”	an offer of the grant of an Option by the Company to an Eligible Participant pursuant to the terms and conditions of the Share Option Scheme
“Offer Letter”	a document containing an Offer to an Eligible Participant pursuant to the terms and conditions of the Share Option Scheme
“Option(s)”	a right to subscribe for Shares granted pursuant to the terms and conditions of the Share Option Scheme
“Other Schemes”	schemes involving the grant of awards or options over Shares of the Company, other than the Share Option Scheme
“Permitted Grounds of Termination”	means the termination of employment of a Grantee (being an Employee or an employee of any of the Related Entities) by the relevant company (or companies) or the removal of a Grantee (being a director of any member of the Group or any of the Related Entities) from the office of director on any of the following grounds: (i) retirement at or after attaining normal retirement age; (ii) retirement before that age with the consent of the Board; (iii) disability, ill-health or accident occurring in the course of employment or while in office as a director; (iv) redundancy; or (v) any other circumstance with the consent of the Board

“Permitted Transferee”	shall have the meaning ascribed to it in paragraph 7 in Appendix III to this circular
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise any Option granted to such Grantee (to the extent not already exercised)
“Related Entity(ies)”	the Company’s holding companies, fellow subsidiaries and associated companies
“Renewal Mandate”	shall have the meaning ascribed to it in clause 17.2 in Appendix III to this circular
“Retiring Directors”	Ms. Lai Yuen Chiang, Hon. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh
“Scheme Mandate Limit”	the maximum number of Shares issuable pursuant to the Share Option Scheme and any Other Schemes (if any) in aggregate, being 10% of the Shares in issue as at the Adoption Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each of the Company
“Shareholder(s)” or “Member(s)”	holder(s) of Share(s)
“Share Option Scheme” or “Scheme”	the Share Option Scheme which is proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix III to this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning ascribed to it in the Listing Rules
“substantial shareholder”	shall have the meaning ascribed to it in the Listing Rules
“Takeovers Code”	Codes on Takeovers and Mergers and Share Buy-backs



# WHARF

*Established 1886*

## **WHARF REAL ESTATE INVESTMENT COMPANY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1997

*Directors:*

Mr. Stephen T. H. Ng, *Chairman and Managing Director*  
Mr. Paul Y. C. Tsui, *Vice Chairman and Executive Director*  
Ms. Y. T. Leng, *Executive Director*  
Mr. Horace W. C. Lee

*Registered Office:*

Cricket Square, Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman, KY1-1111,  
Cayman Islands

*Independent Non-executive Directors:*

Mr. Alexander S. K. Au, *OBE*  
Mr. Tak Hay Chau, *GBS*  
Ms. Lai Yuen Chiang, *JP*  
Hon. Andrew K. Y. Leung, *GBM, GBS, JP*  
Mr. Desmond L. P. Liu  
Mr. R. Gareth Williams  
Dr. Glenn S. Yee  
Professor E. K. Yeoh, *GBS, OBE, JP*

*Principal Place of Business*

*in Hong Kong:*  
16th Floor, Ocean Centre,  
Harbour City, Canton Road,  
Kowloon, Hong Kong

4 April 2023

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES FOR BUY-BACK AND ISSUE OF SHARES,  
ADOPTION OF SHARE OPTION SCHEME,  
ADOPTION OF NEW ARTICLES OF ASSOCIATION AND  
NOTICE OF ANNUAL GENERAL MEETING**

**(1) INTRODUCTION**

The purpose of this circular is to provide you with the information in connection with the resolutions to be proposed at the forthcoming AGM to be held on 9 May 2023 to, *inter alia*, (i) re-elect Retiring Directors of the Company; (ii) grant general mandates to buy back shares and to

issue new shares of the Company; (iii) adopt a share option scheme of the Company; and (iv) adopt the second amended and restated articles of association to substitute the existing Articles of the Company.

## **(2) RE-ELECTION OF DIRECTORS**

Six Retiring Directors, namely Ms. Lai Yuen Chiang, Hon. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh, are due to retire from the Board at the AGM and, being eligible, offer themselves for re-election at the AGM. The proposed re-election of the Retiring Directors will be voted on by the Shareholders under separate resolutions.

The Retiring Directors, if re-elected at the AGM, will not have any fixed term of service with the Company but will be subject to retirement by rotation from the Board at annual general meetings of the Company at least once every three years in accordance with the Articles. So far as the Directors are aware, save as disclosed below, as at the Latest Practicable Date, (i) none of the Retiring Directors had any interest (within the meaning of Part XV of the SFO) in the securities of the Company; (ii) none of the Retiring Directors held, or in the past three years held, any directorship in any listed public company or held any other major appointments or qualifications; (iii) none of the Retiring Directors had any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company; and (iv) in relation to the proposed re-election of the Retiring Directors, there is no information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Relevant information relating to the Retiring Directors is set out in Appendix I to this circular.

Recommendations to the Board for the proposed re-election of Ms. Lai Yuen Chiang, Hon. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh as INEDs were made by the Nomination Committee of the Company, after having reviewed their suitability according to the assessment criteria as set out in the Nomination Policy adopted by the Company which includes, *inter alia*, the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Board, taking into account their past contributions to the Company and their individual attributes enhancing the Board's diversity and optimal composition (details as set out in their respective biographies in Appendix I hereto), accepted the recommendations from the Nomination Committee of the Company and recommend to the Shareholders the proposed re-election of Ms. Lai Yuen Chiang, Hon. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh as INEDs at the AGM.

## **(3) GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES**

At the annual general meeting of the Company held on 6 May 2022, ordinary resolutions were passed giving general mandates to the Directors (i) to buy back shares of the Company on the Stock Exchange representing up to 10% of the number of shares in issue of the Company as at 6 May 2022; and (ii) to allot, issue and deal with shares of the Company subject to a restriction that

the aggregate number of shares allotted or agreed to be allotted must not exceed the aggregate of (a) 20% of the number of shares in issue of the Company as at 6 May 2022, plus (b) (authorised by a separate ordinary resolution as required by the Listing Rules) the number of any shares bought back by the Company since the granting of the general mandate for issue of shares.

Pursuant to the Listing Rules, these general mandates will lapse at the conclusion of the AGM, unless renewed at that meeting. As such, resolutions will be proposed at the AGM to renew the mandates mentioned above. An explanatory statement as required under the Listing Rules to provide the requisite information in connection with the proposed buy-back mandate is set out in Appendix II to this circular.

#### **(4) ADOPTION OF SHARE OPTION SCHEME**

The Board is pleased to propose the adoption of the Share Option Scheme by the Company. Pursuant to the Rule 17.02(1)(a) of the Listing Rules, the adoption of the Share Option Scheme is subject to, *inter alia*, the approval of the Shareholders at the AGM.

The purpose of the Scheme is to enable the Group to recognise the contribution and potential future contribution of Grantees by providing them the opportunity to acquire equity interests in the Company, motivate Grantees and give them additional incentive to optimise their valuable contributions towards the Group's continued growth and success, attract and retain high-calibre personnel to strive for long term development of the Group, and foster a sense of corporate identity and align interests of Grantees to Shareholders for promoting long term financial success of the Group.

As at the Latest Practicable Date, there were 3,036,227,327 Shares in issue. Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Scheme Mandate Limit will be 303,622,732 Shares, which represents 10% of the total number of Shares in issue on the Adoption Date.

Eligible Participants of the Scheme include Category A Participants and Category B Participants which are determined to be qualified for the Options by the Board at its absolute discretion. In determining whether an Eligible Participant is selected as a Grantee, careful consideration on various criteria will be made in assessing his/her contribution to the long term growth of the Group so as to serve the purpose of the Scheme, including, among others, the seniority, position, responsibilities and length of service of the person with the Group, as well as the amount of support, assistance, guidance, advice, efforts and contributions the person has exerted or likely to be able to give or make towards the success of the Group.

The Directors (including the INEDs) consider that it is beneficial to include the Category B Participants as Eligible Participants, 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. Despite that Category B Participants may not be directly employed by the members of the Group, the Category B Participants are nonetheless valuable human resources to the Group given their involvement in work projects of the Group from time to time. 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. It is therefore in the long term interests of the Company and the Shareholders, and is in line with the purpose of the Scheme to include the Category B Participants, who the Company can incentivise with the grant of Options in order to strengthen their loyalty with 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.

Subject to the provisions of the Scheme and the Applicable Laws, the Board may, on a case-by-case basis when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto in addition to those expressly set forth in the Scheme as it may think fit, including, *inter alia*, the vesting period of the Options (which shall not be less than 12 months), the performance targets which must be achieved before an Option can be exercised under the terms of the Scheme, and clawback mechanism for the Company to recover or withhold any Options granted to any Grantee, whether in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. Save as may be determined by the Board and provided in the Offer Letter, there is no performance target nor clawback mechanism attached to the Options.

The Board believes that the authority and flexibility given to the Board under the Scheme, including, *inter alia*, selection of Grantees and determination of vesting period, performance targets and clawback mechanism on a case-by-case basis, will serve to protect the value of the Company as well as to achieve the purpose of the Scheme.

Grantees are entitled to subscribe for the number of Shares at the Exercise Price, which shall be at least the higher of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Offer; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the Offer; and (c) the nominal value of a Share. The Directors consider that such basis for determining the Exercise Price will serve to preserve the value of the Company, while encouraging the Grantees to acquire proprietary interests in the Company and serving the purpose of the Scheme.

Based on the above, the Board considers that the adoption of the Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the Scheme as set out above to be achieved.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution approving the adoption of the Scheme at the AGM. The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Scheme.

The Scheme does not have a trustee and hence none of the Directors is and will be a trustee of the Scheme.

A summary of the principal terms of the Scheme is set out in the Appendix III to this circular. This serves as a summary of the terms of the Scheme but does not constitute the full terms of the same.

An ordinary resolution will be proposed at the AGM for the adoption of the Scheme.

## **Conditions**

The Scheme shall take effect upon (a) the passing of the necessary resolution(s) by the Shareholders in general meeting for approving the adoption of the Scheme, and (b) the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms of the Scheme.

## **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 Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Exercise 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 Scheme will be published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wharfreal.com](http://www.wharfreal.com)) for display for a period of not less than fourteen (14) days before the date of the AGM and the rules of the Scheme will be made available for inspection at the AGM.

## **Application for Listing**

Application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Option that may be granted under the Scheme.

## **Recommendation**

The Directors (including the INEDs) consider that the adoption of the Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

## **Responsibility Statement**

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

## **(5) ADOPTION OF NEW ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 7 March 2023. The Board proposes to make certain amendments to the existing Articles in order to bring the Articles in line with the latest amendments to Appendix 3 to the Listing Rules regarding the core shareholder protection standards which became effective on 1 January 2022. Accordingly, the Board proposes to adopt the New Articles in substitution for, and to the exclusion of, the existing Articles.

A summary of the changes to be brought about by the proposed adoption of the New Articles are set out below:

- (i) necessary changes to conform to the core shareholder protection standards set out in Appendix 3 to the Listing Rules; and
- (ii) minor consequential and tidying-up amendments for house-keeping purposes.

Please refer to Appendix IV to this circular for further particulars relating to the changes to the existing Articles brought about by the proposed adoption of the New Articles. Shareholders are advised that the Articles and the New Articles are in English, and the Chinese translation of the changes to the existing Articles provided in Appendix IV to the Chinese version of this circular is for reference only. In case of any inconsistency, the English version shall prevail.

The legal advisers of the Company as to Hong Kong law have confirmed to the Company that the proposed amendments to the Articles conform with the Appendix 3 to the Listing Rules and, on the whole, are not inconsistent with the Listing Rules; and the legal advisers of the Company as to the Cayman Islands law have confirmed to the Company that the proposed amendments to the Articles do not violate Cayman Islands law. In addition, the Company has confirmed to the Stock Exchange that there is nothing unusual about the proposed amendments to the Articles for a company listed in Hong Kong.

A copy of the New Articles showing all changes made to the existing Articles will be available for inspection during normal business hours on any weekday (except public holidays) at the principal place of business of the Company in Hong Kong at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

The proposed adoption of the New Articles is subject to the approval of the Shareholders by way of a special resolution at the AGM.

## **(6) ANNUAL GENERAL MEETING**

A notice convening the AGM is set out on pages 41 to 45 of this circular. A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM or any adjournment thereof, you are requested to complete the proxy form and return it to the Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible but in

any event not later than 11:15 a.m., on Friday, 5 May 2023, or in case of any adjournment thereof, not less than 48 hours (exclusive of any part of a day which is not a business day) before the time appointed for the holding of such adjourned meeting. Return of the completed proxy form will not preclude you from attending and voting at the AGM, or any adjournment thereof, if you so wish.

**(7) RECOMMENDATION**

The Directors believe that the proposed resolutions in relation to the re-election of the Retiring Directors, the general mandates in respect of the buy-back and issue of shares, the adoption of Share Option Scheme and the adoption of the New Articles to be put forward at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Stephen T. H. Ng**  
*Chairman and Managing Director*

## APPENDIX I

### DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Set out below is the relevant information relating to the Retiring Directors proposed to be re-elected at the AGM:

1. **Ms. Lai Yuen Chiang**, *JP*, aged 57, has been an INED of the Company since October 2022.

Ms. Chiang graduated from Wellesley College in the United States with a Bachelor of Arts degree. She is currently the chairman and chief executive officer of Chen Hsong Holdings Limited, publicly listed in Hong Kong.

Ms. Chiang is a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference and a member of Advisory Council on Food and Environmental Hygiene of the Government. She is also a vice-president of China Plastics Machinery Industry Association, vice-chairman of the Federation of Shenzhen Industries, vice-president of China Shenzhen Machinery Association and vice-president of the Toys Manufacturers' Association of Hong Kong. Ms. Chiang had served as a standing committee member of the Shenzhen Committee of the Chinese People's Political Consultative Conference during 2000 to 2021. She was formerly an INED of Hang Seng Bank Limited, publicly listed in Hong Kong.

Ms. Chiang was awarded the "Young Industrialist Awards of Hong Kong" by the Federation of Hong Kong Industries in 2004. She has been appointed as Justice of the Peace by the Government in 2012.

Ms. Chiang receives from the Company a Director's fee at such rate approved by Shareholders from time to time, currently being HK\$250,000 per annum. The relevant fee payable to her is determined by reference to the level of fee normally payable by a listed company in Hong Kong to a director, including an INED. She receives no emolument from the Group other than the above-mentioned Director's fee.

Ms. Chiang has made an annual confirmation concerning her independence in accordance with Rule 3.13 of the Listing Rules. Based on the said confirmation made by her, the Board is of the view that Ms. Chiang is independent in accordance with the independence guidelines under the Listing Rules and should be re-elected as an INED.

2. **Hon. Andrew Kwan Yuen Leung**, *GBM, GBS, JP*, aged 72, has been an INED of the Company since 2018.

Mr. Leung is the President of the Seventh Legislative Council of Hong Kong and a member of the Industrial (First) Functional Constituency thereof. He is also a member of The National Committee of the Chinese People's Political Consultative Conference, the honorary president and a general committee member of Federation of Hong Kong Industries and an honorary chairman of Textile Council of Hong Kong Limited. He formerly served as a member of Competition Commission and the chairperson of the Staff Committee thereof, a director of The Hong Kong Mortgage Corporation Limited, a council member of Hong Kong Trade Development Council and a non-executive director of Mandatory Provident Fund Schemes Authority. Mr. Leung was awarded the Grand Bauhinia Medal by the Government in 2020.

Mr. Leung is an Honorary Doctor of Business Administration, Coventry University, UK. He also holds a BSc (Hon) degree awarded by Leeds University, UK. He is also a Fellow of Textiles Institute and of Clothing & Footwear Institute. He has more than 33 years of management experience in the textile, manufacturing, wholesale and distribution businesses.

Mr. Leung is currently an INED of Dah Sing Financial Holdings Limited and China South City Holdings Limited, both being public companies listed in Hong Kong. He was formerly chairman of Sun Hing Knitting Factory Limited and an INED of publicly listed Dah Sing Banking Group Limited. Mr. Leung was also formerly an INED of Harbour Centre Development Limited from July 2012 until May 2018.

As at the Latest Practicable Date, Mr. Leung had interests (within the meaning of Part XV of the SFO) in 6,629 shares of the Company. Mr. Leung receives from the Company a Director's fee at such rate approved by Shareholders from time to time, currently being HK\$250,000 per annum. The relevant fee payable to him is determined by reference to the level of fee normally payable by a listed company in Hong Kong to a director, including an INED. He receives no emolument from the Group other than the above-mentioned Director's fee.

Mr. Leung has made an annual confirmation concerning his independence in accordance with Rule 3.13 of the Listing Rules. Based on the said confirmation made by him, the Board is of the view that Mr. Leung is independent in accordance with the independence guidelines under the Listing Rules and should be re-elected as an INED.

3. **Mr. Desmond Luk Por Liu**, aged 69, has been an INED of the Company since July 2022. He also serves as chairman of Audit Committee.

Mr. Liu graduated from the International Christian University of Japan in June 1978 with a Bachelor of Arts degree and the Wharton School of University of Pennsylvania in the United States in May 1980 with a Master of Business Administration degree.

Mr. Liu's career in banking and financial institutions has spanned over 35 years. At Standard Chartered Bank (Hong Kong) Limited from 2012 to 2017, his last position was regional head, private banking, Greater China and North Asia. At The Hongkong and Shanghai Banking Corporation Limited from 2007 to 2011, he was regional head, private banking, North Asia, including Greater China and the Philippines. Previously, he was head of private banking of DBS Bank (Hong Kong) Limited and managing director and senior vice president of Dryden Wealth Management (Hong Kong) Limited (formerly known as Prudential Bache Securities, a subsidiary of Prudential Insurance Company of America). Prior to that, he also worked in Citibank and Lehman Brothers.

Mr. Liu is currently the vice chairman and executive director of Venture Smart Asia Limited as well as its responsible officer of Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the SFO. He has been a member of the Accreditation and Exemption Committee of Private Wealth Management Association since January 2018.

Mr. Liu was a member of the Equal Opportunities Commission from May 2005 to May 2009. He was also a member and a consultant of the Examinations Committee of the Hong Kong Securities and Investment Institute ("HKSI Institute") from 2003 to 2005 and served on the Corporate Advisory Council of the HKSI Institute for three terms from 2010 to 2013.

Mr. Liu receives from the Company a Director's fee and an Audit Committee member's fee at such rates approved by Shareholders from time to time, currently being HK\$250,000 per annum and HK\$150,000 per annum respectively. The relevant fees payable to him are determined by reference to the level of fee normally payable by a listed company in Hong Kong to a director, including an INED. He receives no emolument from the Group other than the above-mentioned Director's fee and Audit Committee member's fee.

Mr. Liu has made an annual confirmation concerning his independence in accordance with Rule 3.13 of the Listing Rules. Based on the said confirmation made by him, the Board is of the view that Mr. Liu is independent in accordance with the independence guidelines under the Listing Rules and should be re-elected as an INED.

4. **Mr. Richard Gareth Williams**, aged 75, has been an INED of the Company since 2017. He also serves as a member of each of Audit Committee and Remuneration Committee.

Mr. Williams has over 48 years of experience in the areas of property valuation and estate agency in Hong Kong. He is the principal of Gareth Williams & Associates, which was established in January 2006 and is principally engaged in property valuation and estate agency, where he is primarily responsible for specialist property valuation and acquisitions and disposal of investment properties.

Mr. Williams was a property investment director of Wheelock Properties (Hong Kong) Limited, a subsidiary of Wheelock and Company Limited (“WAC”, a controlling shareholder of the Company), from 2004 to 2006 where he was responsible for overseeing the property services business, and was formerly its INED until November 2017. From 2002 to 2004, he worked as the chief executive of the Hong Kong office of Knight Frank Asia Pacific Pte. Ltd., where he was responsible for its overall management. From 1979 to 2002, Mr. Williams worked for Vigers Hong Kong Limited, with his last position as the chairman and chief executive officer, where he was primarily responsible for provision of property valuation and estate agency services. From 1974 to 1979, Mr. Williams served as rating and valuation surveyor at the Rating and Valuation Department of the Government. He was also an INED of IBI Group Holdings Limited, a publicly listed company in Hong Kong, from September 2016 to October 2021.

Mr. Williams has been certified as a fellow of the Royal Institution of Chartered Surveyors in the United Kingdom and as a fellow of the Hong Kong Institute of Surveyors since June 1984 and December 1984 respectively. He was admitted as a member of the Chartered Institute of Arbitrators and a practising member of The Academy of Experts, both based in the United Kingdom, in December 1999 and April 2009 respectively. Mr. Williams has also been registered as a Registered Professional Surveyor (General Practice) with the Surveyors Registration Board in Hong Kong since 1 January 1993.

Mr. Williams receives from the Company a Director’s fee, an Audit Committee member’s fee and a Remuneration Committee member’s fee at such rates approved by Shareholders from time to time, currently being HK\$250,000 per annum, HK\$150,000 per annum and HK\$50,000 per annum respectively. The relevant fees payable to him are determined by reference to the level of fee normally payable by a listed company in Hong Kong to a director, including an INED. He receives no emolument from the Group other than the above-mentioned Director’s fee, Audit Committee member’s fee and Remuneration Committee member’s fee.

Mr. Williams has made an annual confirmation concerning his independence in accordance with Rule 3.13 of the Listing Rules. Based on the said confirmation made by him, the Board is of the view that Mr. Williams is independent in accordance with the independence guidelines under the Listing Rules and should be re-elected as an INED.



5. **Dr. Glenn Sekkemn Yee**, aged 72, has been an INED of the Company since 2021.

Dr. Yee is the chairman of Oakhaven Limited, a private investment company involved in green industry and other projects. Previously he was the founder, managing director and chairman of Pacific Can China Holdings Limited (“**Pacific Can**”), which was one of the largest aluminum beverage can manufacturers in China; this business was divested in 2018. Dr. Yee obtained a B.S. in Mechanical Engineering from Worcester Polytechnic Institute (“**WPI**”) in Massachusetts, an MBA Degree from Columbia University in New York, and received an Honorary Doctor of Engineering Degree from WPI. Starting his career in General Electric Company in New York, and later joining Continental Can Company in Stamford, Connecticut, he has held senior positions in Marketing and Finance areas and became managing director of Continental Can Hong Kong Ltd in 1988. He resigned in 1991 and subsequently started Pacific Can. Dr. Yee is a Trustee Emeritus of WPI. He was formerly an INED of WAC from September 2010 until its delisting in July 2020.

Dr. Yee receives from the Company a Director’s fee at such rate approved by Shareholders from time to time, currently being HK\$250,000 per annum. The relevant fee payable to him is determined by reference to the level of fee normally payable by a listed company in Hong Kong to a director, including an INED. He receives no emolument from the Group other than the above-mentioned Director’s fee.

Dr. Yee has made an annual confirmation concerning his independence in accordance with Rule 3.13 of the Listing Rules. Based on the said confirmation made by him, the Board is of the view that Dr. Yee is independent in accordance with the independence guidelines under the Listing Rules and should be re-elected as an INED.

6. **Professor Eng Kiong Yeoh**, *GBS, OBE, JP, MBBS(HK), FHKAM, FHKCCM, FHKCP, FFPHM(UK), FRCP(Edin), FRCP(Lond), FRCP(Glasg), FRACMA, FRACP*, aged 76, has been an INED of the Company since 2017. He also serves as a member of each of Audit Committee and Nomination Committee.

Professor Yeoh obtained bachelor's degrees in medicine and surgery from The University of Hong Kong in October 1971. He is Professor of Public Health and Director of the Centre for Health Systems and Policy Research at the Jockey Club School of Public Health and Primary Care of The Chinese University of Hong Kong. His research is in health systems, services and policy with an interest in applying systems thinking in studying how the complex components of health systems interact and interrelate to improve health.

Professor Yeoh served as Secretary for Health, Welfare and Food of the Government between 1999 and 2004. He was a director of operations from 1990 to 1993 and a chief executive from 1994 to 1999 of the Hong Kong Hospital Authority with responsibility for the management and transformation of the public hospital system. Professor Yeoh was formerly an INED of The Wharf (Holdings) Limited from 2012 to 2017.

Professor Yeoh is a co-chairperson of Grant Review Board Executive of the Health and Medical Research Fund, Health Bureau of the Government. Professor Yeoh was appointed a Justice of the Peace (non-official) in 1995. In 2005, he was awarded the Gold Bauhinia Star by the Government in recognition of his public service.

As at the Latest Practicable Date, Professor Yeoh had interests (within the meaning of Part XV of the SFO) in 20,000 shares of the Company. Professor Yeoh receives from the Company a Director's fee and an Audit Committee member's fee at such rates approved by Shareholders from time to time, currently being HK\$250,000 per annum and HK\$150,000 per annum respectively. The relevant fees payable to him are determined by reference to the level of fee normally payable by a listed company in Hong Kong to a director, including an INED. He receives no emolument from the Group other than the above-mentioned Director's fee and Audit Committee member's fee.

Professor Yeoh has made an annual confirmation concerning his independence in accordance with Rule 3.13 of the Listing Rules. Based on the said confirmation made by him, the Board is of the view that Professor Yeoh is independent in accordance with the independence guidelines under the Listing Rules and should be re-elected as an INED.

## APPENDIX II

### EXPLANATORY STATEMENT

The following is the Explanatory Statement required to be sent to Shareholders under the Listing Rules which provides requisite information in connection with the proposed general mandate for share buy-back.

- (i) It is proposed that the general buy-back mandate will authorise the buy-back by the Company of up to 10% of the number of Shares in issue at the date of passing the resolution to approve the general buy-back mandate (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after passing of the resolution). As at 29 March 2023, being the Latest Practicable Date, the number of Shares in issue was 3,036,227,327 Shares. On the basis of such figure (and assuming no new Shares will be issued and no Shares will be bought back after the Latest Practicable Date and up to the date of passing such resolution), exercise in full of the general buy-back mandate would result in the buy-back by the Company of up to 303,622,732 Shares.
- (ii) The Directors believe that the general authority from Shareholders to enable buy-back of Shares is in the best interests of the Company and Shareholders. Share buy-backs may, depending on the circumstances and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.
- (iii) The funds required for any buy-back would be derived from the distributable profits of the Company or such other fundings legally available for such purpose in accordance with the Company's constitutive documents and the Applicable Laws of the Cayman Islands.
- (iv) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent audited financial statements for the year ended 31 December 2022 being forwarded to Shareholders together with this circular) in the event that the general buy-back mandate was exercised in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general buy-back mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing level which in the opinion of the Directors is from time to time appropriate for the Company.
- (v) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any close associates (as defined in the Listing Rules) of the Directors who have a present intention, in the event that the general buy-back mandate is granted by Shareholders, to sell Shares to the Company.

- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general buy-back mandate in accordance with the Listing Rules and the Applicable Laws of the Cayman Islands.
- (vii) As at the Latest Practicable Date, as recorded in the register required to be kept by the Company under Part XV of the SFO, WAC, being the controlling shareholder of the Company, was interested in 48.98% of the number of Shares in issue. In the event that the Directors exercise in full the power to repurchase shares which are proposed to be granted pursuant to the Share Repurchase Mandate, the shareholding of WAC would be increased to approximately 54.42%. Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent as would result in takeover obligations.
- (viii) Save as disclosed above, Directors are not aware of any shareholder or group of shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Share Repurchase Mandate.
- (ix) No purchase of Shares has been made by the Company in the six months prior to the Latest Practicable Date.
- (x) No core connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell Shares to the Company in the event that the general buy-back mandate is granted by Shareholders.
- (xi) The highest and lowest prices at which Shares were traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date are as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
March 2022	40.65	32.50
April 2022	39.80	36.50
May 2022	38.90	34.90
June 2022	38.50	32.55
July 2022	37.40	33.60
August 2022	38.35	33.40
September 2022	41.50	34.60
October 2022	39.40	30.45
November 2022	37.75	31.05
December 2022	47.30	35.45
January 2023	47.80	44.20
February 2023	45.45	41.90
March 2023 up to the Latest Practicable Date	45.90	40.95

## APPENDIX III

### SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

*The following is a summary of the principal terms of the Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the Share Option Scheme.*

#### **1. PURPOSE OF THE SHARE OPTION SCHEME**

The purpose of the Scheme is to enable the Group to recognise the contribution and potential future contribution of Grantees by providing them the opportunity to acquire equity interests in the Company, motivate Grantees and give them additional incentive to optimise their valuable contributions towards the Group's continued growth and success, attract and retain high-calibre personnel to strive for long term development of the Group, and foster a sense of corporate identity and align interests of Grantees to Shareholders for promoting long term financial success of the Group.

#### **2. CONDITIONS OF THE SHARE OPTION SCHEME**

The Scheme shall take effect upon the fulfillment of the following conditions: (a) the passing of the necessary resolution(s) by the Shareholders in general meeting for approving the adoption of the Scheme; and (b) the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the Scheme.

#### **3. DURATION**

The Scheme shall be valid and effective for a period of 10 years commencing on the Effective Date and shall expire on the 10th anniversary thereof (unless otherwise terminated in accordance with the terms thereof), after which no further Options may be offered or granted under the Scheme but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the terms and conditions of the Scheme.

#### **4. ELIGIBLE PARTICIPANTS**

Eligible participants of the Scheme include Category A Participants and Category B Participants determined to be qualified (or, where applicable, continues to be qualified) for the Options by the Board in its absolute discretion.

## 5. GRANT OF OPTIONS

- 5.1 Subject to the terms and conditions of the Scheme, the Board shall be entitled at any time on a business day within a period of 10 years commencing on the Effective Date to make an Offer or Offers to any Eligible Participant(s) as the Board may in its absolute discretion select.
- 5.2 An Offer shall be made to an Eligible Participant in writing on a business day in such form as the Board may from time to time determine.
- 5.3 An Offer cannot be accepted by an Eligible Participant who ceases to be qualified as an Eligible Participant after the Offer has been made.
- 5.4 An Offer shall be deemed to have been accepted when the Company receives a duplicate Offer Letter duly signed from the Grantee together with a remittance of HK\$10.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof. Such remittance shall in no circumstances be refundable. Once accepted, the Option shall be deemed to have been granted as from the date on which it was offered to the relevant Eligible Participant. No Offer shall be capable of or open for acceptance after the expiry of 10 years from the Effective Date.
- 5.5 Unless otherwise stated in the Offer Letter, any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted in the manner set out in the Offer Letter or the Eligible Participant ceases to be qualified after the Offer has been made, the Offer shall be deemed to have been irrevocably declined and lapsed automatically without notice.
- 5.6 Subject to the provisions of the Scheme and the Applicable Laws, the Board may, on a case-by-case basis and at its absolute discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto in addition to those expressly set forth in the Scheme as it may think fit (which shall be stated in the Offer Letter), including, *inter alia*, vesting period of the Option, performance targets which must be achieved before an Option can be exercised, and clawback mechanism for the Company to recover or withhold any Options granted to any Grantee. Save as may be determined by the Board and provided in the Offer Letter, there is no performance target nor clawback mechanism attached to the Options.
- 5.7 The vesting period of any particular Option shall not be less than 12 months.
- 5.8 The Board may grant Options in respect of which the Exercise Price is fixed at different prices for different periods during the Exercise Period.

## 6. EXERCISE PRICE

The Exercise Price in respect of any particular Option (subject to adjustment in accordance with the terms of the Scheme) shall be a price determined by the Board and stated in the Offer Letter, and shall be at least the higher of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Offer; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the Offer; and (c) the nominal value of a Share.

## 7. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee. No Option shall be transferred or assigned, and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest over or in relation to any Option in favour of any third party, provided that the Board may at its absolute discretion allow a Grantee to transfer or assign an Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and/or any of the family members of such Grantee for estate planning or tax planning purposes (the "**Permitted Transferee**") if:

- (a) the Grantee provides all such information in relation to the proposed transferee or assignee as the Board may request for the purpose of establishing to the Board's satisfaction that the proposed transferee or assignee is a Permitted Transferee;
- (b) each of the Grantee and the proposed transferee or assignee undertakes and warrants that the proposed transferee or assignee (i) will not in any way sell, transfer, assign, charge, mortgage, encumber or create any interest over or in relation to any Option so transferred or assigned to it in favour of any third party (unless such third party is also a Permitted Transferee and all the conditions in this paragraph which shall apply *mutatis mutandis* to such further transfer or assignment are satisfied); and (ii) will at all times be a Permitted Transferee; and
- (c) a waiver is granted by the Stock Exchange to permit such a transfer or assignment.

## 8. EXERCISE OF OPTIONS

- 8.1 Subject to the relevant Exercise Period and the other terms and conditions of the grant, an Option shall be exercised in whole or in part by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised.
- 8.2 Each such notice shall be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Any notice given without such relevant remittance in full shall be invalid. Within 21 business days (excluding any period(s) of closure of the Company's share registers) after receipt of the notice together with remittance of the relevant Exercise Price in full and, where appropriate, receipt of the certificate given by the Auditor or an independent financial adviser, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted and issued.

## **9. RIGHTS ON DEATH**

In the event of death of the Grantee (being an individual) before exercising the Option in full, his or her Personal Representative(s) may exercise the Option (to the extent exercisable and not already exercised as at the date of his/her death) either in full or in part within 12 months following his or her death or such longer period as the Board may determine.

## **10. RIGHTS ON TERMINATION DUE TO DISABILITY**

In the event of the Grantee being a Category A Participant and/or a Category B Participant at the time of the grant of the relevant Option ceasing to be a Category A Participant or a Category B Participant by reason of disability, the Grantee may exercise the Option (to the extent exercisable and not already exercised as at the date of such cessation) either in full or in part within 6 months following the date of such cessation (which date shall be his/her last actual working day with or last day in office as a director or employee of the Company, its subsidiary or the Related Entity, as the case may be) or such longer period as the Board may determine.

## **11. RIGHTS ON TERMINATION DUE TO PERMITTED GROUNDS OF TERMINATION**

In the event of the Grantee being a Category A Participant and/or a Category B Participant at the time of the grant of the relevant Option ceasing to be a Category A Participant or a Category B Participant by reason of any Permitted Grounds of Termination (other than disability), the Grantee may exercise the Option (to the extent exercisable and not already exercised as at the date of such cessation) either in full or in part within 30 days following the date of such cessation (which date shall be his/her last actual working day with or last day in office as a director or employee of the Company, its subsidiary or the Related Entity, as the case may be) or such longer period as the Board may determine.

## **12. RIGHTS ON A GENERAL OFFER**

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the holders of Shares (or all such holders other than the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite resolutions of shareholders of the Company in general meeting (in the case of a scheme of arrangement), the Company shall forthwith give notice thereof to all Grantees, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date on which the offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite resolutions of shareholders of the Company in general meeting (in the case of a scheme of arrangement)) either in full or in part at any time up to the close of such offer (or any revised offer) unless the Board shall determine to the contrary (in the case of a takeover offer) or within such period as shall be notified by the Company to the Grantees (in the case of a scheme of arrangement).



### **13. RIGHTS ON WINDING UP**

In the event of a notice being given by the Company to Shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to all Grantees, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) either in full or in part not later than three business days (excluding any period(s) of closure of the Company's share registers) immediately preceding the date of the proposed shareholders' meeting, and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share registers) immediately preceding the date of the proposed shareholders' meeting, allot and issue such number of Shares to the Grantees which falls to be issued upon such exercise.

### **14. RIGHTS ON COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than any scheme of arrangement referred to in paragraph 12 above or any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) either in full or in part not later than three business days (excluding any period(s) of closure of the Company's share registers) immediately preceding the date of the proposed meeting, and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share registers) immediately preceding the date of the proposed meeting, allot and issue such number of Shares to the Grantees which falls to be issued upon such exercise.

### **15. RANKING OF SHARES**

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles and the Applicable Laws in force as at the Allotment Date and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the Allotment Date and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the Allotment Date.

## **16. LAPSE OF OPTIONS**

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

- (a) the expiry of the Exercise Period;
- (b) the expiry of any of the periods referred to in paragraphs 9 to 14 above;
- (c) subject to paragraph 13, the date of the commencement of the winding-up of the Company;
- (d) the date when the proposed compromise or arrangement becomes effective in respect of the situation contemplated in paragraph 14;
- (e) the date on which the Grantee ceases to be a Category A Participant or a Category B Participant by reason other than the Permitted Grounds of Termination;
- (f) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board; and
- (g) the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed pursuant to the terms of the Scheme.

## **17. SCHEME MANDATE LIMIT**

17.1 Subject to paragraphs 17.2 and 17.3 below, the total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and Other Schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Adoption Date provided that 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 and awards to be granted under the Scheme and Other Schemes under the Scheme Mandate Limit 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. Options lapsed in accordance with the terms of the Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

17.2 Subject to paragraph 17.3, the Company may seek approval by its Shareholders in general meeting for renewing the Scheme Mandate Limit (the “**Renewal Mandate**”) from time to time, provided that:

- (a) if the Renewal Mandate is sought within three years from the Adoption Date or the date on which the last Renewal Mandate was granted (as the case may be), any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Directors (excluding INEDs) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting; and the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules, unless the Renewal Mandate is sought immediately after an issue of securities by the Company to its 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 relevant class of shares in issue) upon renewal is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share;
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and Other Schemes after renewal of the Scheme Mandate Limit shall not exceed 10% of the Shares in issue as at the date on which the Renewal Mandate is obtained;
- (c) if the Company conducts a share consolidation or subdivision after the Renewal Mandate is obtained, the maximum number of Shares that may be issued in respect of all options and awards to be granted under the Scheme and Other Schemes under the renewed Scheme Mandate Limit 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; and
- (d) the Company shall send a circular to its Shareholders containing the number of Options that were already granted under the then existing Scheme Mandate Limit and the reason for the renewal.

17.3 The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) provided that:

- (a) the Options in excess of the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) shall be granted only to the Eligible Participants specifically identified by the Company before such Shareholders’ approval is sought;
- (b) the Company shall issue a circular to its Shareholders 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 such specified Eligible Participant, and the purpose of granting Options to each such specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose;

- (c) the number and terms of Options to be granted to each such specified Eligible Participant shall be fixed before such Shareholders' approval; and
- (d) for the purpose of calculating the minimum Exercise Price in respect of any Options to be so granted to each such specified Eligible Participant, the date of the Board meeting for proposing such grant shall be taken as the date of the Offer of such Options.

#### **18. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Where any grant of Option to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted under the Scheme and Other Schemes to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Scheme and Other Schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue as at the date of such grant, such grant shall be subject to the following requirements:

- (a) approval of the Shareholders in general meeting with such Eligible Participant and his or her close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting;
- (b) the Company shall send a circular to its Shareholders disclosing the identity of such Eligible Participant, the number and terms of the further Options to be granted (and those previously granted to such Grantee in the 12-month period), the purpose of granting further Options to such Eligible Participant and an explanation as to how the terms of the further Options serve such purpose; and
- (c) the number and terms of the further Options to be granted to such Grantee shall be fixed before the Shareholders' approval mentioned in (a) above.

#### **19. GRANT OF OPTIONS TO CONNECTED PERSONS**

Without prejudice to the provisions summarised in paragraph 5, (a) any grant of Options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the INEDs (excluding any INED who is the proposed Grantee of such Options); and (b) where any grant of Options to an INED or a substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted under the Scheme or Other Schemes (excluding any Options lapsed in accordance with the terms of the Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options shall be approved by the Shareholders in general meeting. The Company shall send a circular to its Shareholders containing such information as required under the Applicable Laws. The relevant Grantee, his or her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

## **20. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company while any Option remains exercisable, and such event arises from a capitalisation issue, rights issue, subdivision or consolidation of Shares, or reduction of capital of the Company, the Board may, if it deems appropriate, direct that such corresponding adjustments (if any) be made (i) in the number of Shares subject to the Options so far as unexercised and/or (ii) the Exercise Price. Any adjustments required shall be made in accordance with the following requirements:

- (a) the adjustments shall give a Grantee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that Shares would be issued at less than their nominal value; and
- (b) the adjustments shall be made in accordance with the Listing Rules and any other requirements or guidance by the Stock Exchange from time to time (including the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to share option schemes), if applicable.

Save in the case of capitalisation issue, the Auditors or an independent financial adviser appointed by the Company shall certify the Directors in writing that the adjustments satisfy the requirements set out above.

## **21. ALTERATION OF THE SHARE OPTION SCHEME**

The Scheme may be altered in any respect by resolution of the Board save for the following alterations which may be effected only with the prior approval of the Shareholders in general meeting: (a) any alterations to the terms and conditions of the Scheme which are of a material nature; (b) any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees; and (c) any change to the authority of the Board to alter the terms of the Scheme, provided always that the amended terms of the Scheme shall continue to comply with the relevant provisions of the Listing Rules and any other Applicable Laws.

## **22. TERMINATION OF THE SHARE OPTION SCHEME**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event, no further Options may be offered or granted under the Scheme but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the termination or otherwise as may be required in accordance with the terms and conditions of the Scheme.

## 23. CANCELLATION OF OPTIONS GRANTED

23.1 Any Option may be cancelled in whole or in part and at any time:

- (a) if agreed between the Company and the relevant Grantee, with effect from the date of cancellation as agreed between the Company and the Grantee; or
- (b) at the discretion of the Board by giving written notice thereof to the relevant Grantee with effect from the date of delivery of such notice, provided that (i) the Board shall offer to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or (ii) the Company shall pay or procure to pay to the Grantee an amount equal to the cash value of the Options being cancelled as at the date of cancellation as determined by the Board by reference to the difference between the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the cancellation and the Exercise Price. If, prior to any such payment being made, the relevant Grantee has ceased to be an Eligible Participant, his/her entitlement to further receive any such payment shall be cancelled and he/she shall have no further right in respect thereof.

23.2 Where an Option granted to a Grantee is cancelled and a new grant is made to the same Grantee under the Scheme, such new grant may only be made under the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) available at the time of such new grant. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the renewed Scheme Mandate Limit).

23.3 If, prior to the allotment of Shares arising from an exercise of an Option, any Grounds for Termination shall have arisen in relation to the relevant Grantee, no allotment of the Shares shall be made and all outstanding Options granted in favour of such Grantee shall forthwith be cancelled and the Grantee shall have no entitlement or claim or any right of compensation or otherwise in respect thereof. A resolution of the Board as to whether or not "Grounds for Termination" shall have arisen at any time shall be conclusive.

## APPENDIX IV

### PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The followings are the proposed amendments to the existing Articles introduced by the New Articles. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Articles.

**Article Provisions in the New Articles (showing the proposed amendments to the existing No. Articles)**

2(1) The following definitions be inserted and integrated with the existing definitions in alphabetical order:

“close associate” in relation to any Director, shall have the same meaning as defined in the ~~rules of the Designated Stock Exchange~~ (“Listing Rules”) as modified from time to time, except that for purposes of Article 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.

“Listing Rules” rules and regulations of the Designated Stock Exchange.

~~“Subsidiary and Holding Company”~~ has the meaning attributed to ~~them~~ it in the ~~rules of the Designated Stock Exchange~~ Listing Rules.

“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the ~~rules of the Designated Stock Exchange~~ Listing Rules from time to time) of the voting power at any general meeting of the Company.

2(2) (i) Section 8 and Section 19 of the Electronic Transactions Act ~~(2003)~~ of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles;

(n) nothing in these Articles precludes the holding and conducting of a general meeting in such a way that persons who are not present together at the same place or places may by electronic means attend and participate in it: and

**Article Provisions in the New Articles (showing the proposed amendments to the existing  
No. Articles)**

- (o) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities.
- 3(3) Subject to compliance with the Listing Rules or the rules and regulations of ~~the Designated Stock Exchange and~~ any other ~~relevant competent~~ regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.
- 3(5) The Board may accept the surrender for no consideration of any fully paid share.
- 9 ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike. [Intentionally deleted]~~
- 10(a) Subject to the Law and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated ~~either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:~~
- (a) the necessary quorum ~~(other than at an adjourned meeting or a postponed meeting)~~ shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class ~~and at any adjourned meeting or postponed meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and~~



**Article Provisions in the New Articles (showing the proposed amendments to the existing  
No. Articles)**

- 44 The Register and branch register of Members maintained in Hong Kong, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment of \$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Law or, if appropriate, upon a maximum payment of \$1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.
- 51 The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.
- 56 An annual general meeting of the Company shall be held ~~in for~~ each financial year other than the financial year of the Company's adoption of these Articles ~~(within a period of not more than fifteen (15) months after the holding of the last preceding and such~~ annual general meeting must be held within six (6) or not more than eighteen (18) months after the end of the Company's financial year ~~date of adoption of these Articles,~~ (unless a longer period would not infringe the ~~rules of the Designated Stock Exchange Listing Rules,~~ if any) at such time as may be determined by the Board.
- 58 The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place, ~~do so in the same manner~~, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

**Article Provisions in the New Articles (showing the proposed amendments to the existing  
No. Articles)**

59(1) An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days but if permitted by the ~~rules of the Designated Stock Exchange Listing Rules~~, a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members or their proxies entitled to attend and vote thereat; and
- (b) in the case of any other meeting ~~any other case~~, by a majority in number of the Members ~~or their proxies~~ having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Members.

67 Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the ~~rules of the Designated Stock Exchange Listing Rules~~. The chairman of the meeting may determine that the results of the poll, if certified by scrutineer(s) appointed by the Company or the chairman of the meeting or a Director or the Secretary, shall be published on the Company's website without the requirement for the results being declared at any meeting or adjourned meeting or postponed meeting. The publication on the Company's website of the results of the relevant poll which shows that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall, in the absence of manifest error, be conclusive evidence of such fact.

73(1a) All Members shall have the right to (i) speak at a general meeting; and (ii) 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.

73(2) Where the Company has knowledge that any Member is, under the ~~rules of the Designated Stock Exchange Listing Rules~~, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

**Article Provisions in the New Articles (showing the proposed amendments to the existing No. Articles)**

- 75 Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Member. A Member who is the holder of two or more shares may appoint ~~one proxy or~~ more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting, and where a Member appoints more than one person as his proxy, each proxy so appointed shall only represent respectively such number of shares of the Member as specified in the relevant instrument appointing the relevant proxy. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise. Where a Member appoints more than one proxy the instrument of proxy must state which proxy (to the exclusion of all other proxies appointed by such Member) is entitled to vote on a show of hands.
- 81(2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members 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 representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, the right to speak and to vote and, where a show of hands is allowed, the right to vote individually on a show of hands.
- 82 (1) Subject to the Listing Rules, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive ~~N~~notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.
- (2) Notwithstanding any provisions contained in these Articles, a resolution in writing shall not be passed for the purposes set out in Article 10 relating to the variation of rights attached to shares, for the purpose of removing a Director before the expiration of his term of office under Article 83(5), for the purposes set out in Articles 152 and 154 relating to the appointment, removal and remuneration of the Auditor, for the purpose of the voluntary winding up of the Company under Article 162(2), or for the purposes of rescinding, altering or amending these Articles under Article 165.

**Article Provisions in the New Articles (showing the proposed amendments to the existing  
No. Articles)**

- 83(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director ~~so appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following first annual general meeting of the Company after his appointment~~ and shall then be eligible for re-election.
- 83(5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director (including a managing, or other executive Director) at any time before the expiration of his ~~period-term~~ of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).
- 83(6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed.
- 100(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) ~~any contract or arrangement for the giving of any security or indemnity either:-~~
    - (a) to ~~such-the~~ Director or his close associate(s) ~~any security or indemnity~~ in respect of money lent ~~by him or any of his close associate(s)~~ or obligations incurred or undertaken by him or any of ~~his close associate(s)~~them at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (b) ~~(ii) any contract or arrangement for the giving of any security or indemnity to~~ a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any ~~contract or arrangement proposal~~ concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

**Article Provisions in the New Articles (showing the proposed amendments to the existing  
No. Articles)**

~~(iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or~~

~~(viii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:~~

~~(a) the adoption, modification or operation of a ~~any employees' share scheme or any share incentive or share option scheme, under which the Director or his close associate(s) may benefit; or~~~~

~~(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme ~~or other arrangement~~ which relates ~~both to Directors or the Director, his close associate(s) and to employees~~ employee(s) of the Company ~~or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not ~~accorded~~ generally accorded to the class of persons to which such scheme or fund relates;~~~~

~~(iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.~~

106 (1) The Board may establish or concur or join with other companies (being ~~subsidiary companies~~ subsidiaries of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex Director who may hold or have held any executive office or any office of profit under the Company or any of its ~~subsidiary companies~~ subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such person.

140 All dividends or bonuses unclaimed for ~~one (1) year~~ six (6) months after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

**Article Provisions in the New Articles (showing the proposed amendments to the existing  
No. Articles)**

- 150 Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange Listing Rules~~, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by Applicable Laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
- 151 The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange Listing Rules~~, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's website or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.
- 152 (1) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) The Members may, at any general meeting convened and held in accordance with these Articles, by ~~ordinary special~~ 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.
- 154 The remuneration of the Auditor shall be fixed by an ordinary resolution passed at a ~~the Company in~~ general meeting or in such manner as the Members may by ordinary resolution determine.

**Article Provisions in the New Articles (showing the proposed amendments to the existing  
No. Articles)**

155 The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 152(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 152(1) at such remuneration to be determined by the Members under Article 154.~~If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.~~

158(1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the ~~rules of the Designated Stock Exchange Listing Rules~~ and any amendments thereto for the time being in force), whether or not, to be given or issued under these Articles from the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:

- (a) by serving it personally on the relevant person by hand;
- (b) by sending it through the post in a prepaid envelope addressed to the relevant person at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appropriate newspapers or other publications and where applicable, in accordance with the requirements of the Designated Stock Exchange;
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may, where required by the Company, provide to the Company for this purpose, subject to the Company complying with the Statutes and any other Applicable Laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) by publishing it on the Company’s website to which the relevant person may have access, subject to the Company complying with the Statutes and any other Applicable Laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the Notice, document or publication is available on the Company’s website (a “**notice of availability**”); or
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other Applicable Laws, rules and regulations.

**Article Provisions in the New Articles (showing the proposed amendments to the existing No. Articles)**

- 158(5) Subject to any Applicable Laws, rules and regulations and these Articles, any Notice, document or publication, including but not limited to the documents referred to in Articles 149, 150 and 158 and any “corporate communication” within the meaning ascribed thereto under the ~~rules of the Designated Stock Exchange Listing Rules~~, may be given in the English language only or in both the English language and the Chinese language save that a Notice, document or publication may be given to a Member in the Chinese language only if such Member so requests.
- 162 (1) Subject to Article 162(2), the ~~The~~ Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) Unless otherwise provided by the Law, A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.
- 167 Unless otherwise determined by the Directors, the financial year of the Company shall end on the 31st day of December in each year.



# WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Wharf Real Estate Investment Company Limited (the “Company”) will be held in Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong, on Tuesday, 9 May 2023 at 11:15 a.m. for the following purposes:

- (1) To receive and consider the Financial Statements and the Reports of the Directors and Independent Auditor for the financial year ended 31 December 2022.
- (2) To re-elect retiring Directors.
- (3) To appoint Auditors and authorise the Directors to fix their remuneration.

And to consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

- (4) “**THAT:**
  - (a) subject to paragraph (b) below, the exercise by the Directors of the Company (the “**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to purchase shares in the capital of the Company (the “**Shares**”) be and is hereby generally and unconditionally approved;
  - (b) the aggregate number of Shares which may be purchased on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-backs pursuant to the approval in paragraph (a) above shall not exceed 10% of the number of Shares in issue of the Company at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the Shares of the Company into a larger or smaller number of Shares after the passing of this Resolution), and the said approval shall be limited accordingly; and
  - (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
    - (aa) the conclusion of the next annual general meeting of the Company;
    - (bb) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
    - (cc) the revocation or variation of the authority given under this Resolution by ordinary resolution of shareholders of the Company in general meeting.”

(5) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, options, warrants and other securities which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, warrants and other securities which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by the Company or any securities which are convertible into Shares; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company, shall not exceed the aggregate of:
  - (aa) 20% of the number of Shares in issue at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution); plus
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of shareholders of the Company) the number of Shares bought back by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the number of Shares in issue at the date of passing ordinary resolution (4) set out in the notice convening this meeting (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of the said ordinary resolution (4)), 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:
  - (aa) the conclusion of the next annual general meeting of the Company;
  - (bb) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
  - (cc) the revocation or variation of the approval given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Company or by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion

or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

- (6) “**THAT** the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with any additional Shares pursuant to ordinary resolution (5) set out in the notice convening this meeting be and is hereby extended by the addition thereto of such further additional Shares as shall represent the aggregate number of the Shares bought back by the Company subsequent to the passing of the said ordinary resolution (5), provided that the number of Shares added shall not exceed 10% of the number of the Shares in issue at the date of passing ordinary resolution (4) set out in the notice convening this meeting (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of the said ordinary resolution (4)).”

As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

#### **ORDINARY RESOLUTION**

- (7) “**THAT:**
- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the Share Option Scheme of the Company (the “**Share Option Scheme**”), the rules of which have been produced to the AGM and marked “A” and initialed by the Chairman of the AGM for identification purpose, the Share Option Scheme be and is hereby approved and adopted;
  - (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution;
  - (c) the Directors be and are hereby authorised to do all such acts and to enter into all such arrangements as may be necessary or expedient in order to give full effect to the Share Option Scheme including but without limitation to: (i) administer the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for Shares; (ii) modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment; (iii) grant options to subscribe for Shares under the 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 Share Option Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange; (iv) 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 Share Option Scheme; and (v) 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 Share Option Scheme.”

And to consider and, if thought fit, to pass with or without modification the following resolution as a special resolution:

#### SPECIAL RESOLUTION

(8) “**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing amended and restated articles of association of the Company, the details of which are set forth in Appendix IV to the circular of the Company dated 4 April 2023 (the “**Circular**”), be and are hereby approved; and
- (b) the second amended and restated articles of association of the Company (incorporating the Proposed Amendments) (the “**New Articles**”), a copy of which has been produced to the AGM and marked “B” and initialed by the Chairman of the AGM for identification purpose, be and is hereby approved and adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company with immediate effect after the close of this meeting, and that any one Director of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that the Directors shall, in their absolute discretion, deem necessary or expedient to implement the adoption of the New Articles and to make relevant registrations and filings in accordance with the relevant requirements of the Applicable Laws, rules and regulations in the Cayman Islands and Hong Kong.”

By Order of the Board  
**Kevin C. Y. Hui**  
*Company Secretary*

Hong Kong, 4 April 2023

*Principal Place of Business in Hong Kong:*

16th Floor, Ocean Centre,  
Harbour City, Canton Road,  
Kowloon, Hong Kong

*Notes:*

- (a) **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING:** As a courtesy to other Shareholders, we recommend that you do not attend the AGM in person if you test COVID-19 positive or display symptoms of COVID-19. As a precautionary measure, we recommend you first submit a proxy form to appoint the Chairman of the AGM to vote on your behalf. In the event you can attend in person on the day, your proxy will be cancelled and you may vote in person. **Please note that no refreshment or corporate souvenir will be provided at the AGM.**

- (b) *A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, in the event of a poll, to vote in his/her stead. A proxy need not be a shareholder of the Company. In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of that power of attorney or authority) must be completed and returned to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 11:15 a.m., on Friday, 5 May 2023, or in case of any adjournment thereof, not less than 48 hours (exclusive of any part of a day which is not a business day) before the time appointed for the holding of such adjourned meeting.*
- (c) *In the case of a joint registered holders of any share, the proxy form may be signed by any joint registered holder. Any one of such joint registered holders may attend or vote in respect of such share(s) as if he/she/it was solely entitled thereto.*
- (d) *With reference to item (2) above, Ms. Lai Yuen CHIANG, Hon. Andrew Kwan Yuen LEUNG, Mr. Desmond Luk Por LIU, Mr. Richard Gareth WILLIAMS, Dr. Glenn Sekkemn YEE and Professor Eng Kiong YEOH are proposed to be re-elected at the AGM.*
- (e) *With reference to item (3) above, Messrs. KPMG, Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance, are proposed to be re-appointed as the Auditors of the Company.*
- (f) *With reference to item (5) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to the mandate to be given thereunder.*
- (g) *Pursuant to Rule 13.39(4) of the Listing Rules, Chairman of the AGM will put each of the above resolutions to be voted by way of a poll under Article 66(1) of the Articles of Association of the Company.*
- (h) *The Register of Members of the Company will be closed from Thursday, 4 May 2023 to Tuesday, 9 May 2023, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to ascertain shareholders' right for the purpose of attending and voting at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 3 May 2023.*
- (i) *If a tropical cyclone warning signal No. 8 or above is in force at or after 9:30 a.m. on the date of the AGM, the AGM will be postponed or adjourned. The Company will publish an announcement on the respective websites of the Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wharfreic.com](http://www.wharfreic.com)) to notify shareholders of the date, time and venue of the rescheduled meeting.*
- (j) *The translation into Chinese language of this document is for reference only. In case of any inconsistency, the English version shall prevail.*