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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, a bank manager, solicitor, professional accountant or other professional adviser.

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

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CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

周生生集團國際有限公司[†]

(Incorporated in Bermuda with limited liability)

Stock code: 116

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
TERMINATION OF EXISTING SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of annual general meeting of Chow Sang Sang Holdings International Limited to be held at 4/F, Chow Sang Sang Building, 229 Nathan Road, Kowloon, Hong Kong on Thursday, 11 June 2020 at 10:30 a.m. is set out on pages 36 to 42 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions stated thereon and return it to the Company's branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

[†] For identification purpose only

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DEFINITIONS

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

“2020 AGM”	the annual general meeting of the Company to be held on Thursday, 11 June 2020 at 10:30 a.m. (or any adjournment thereof)
“Adoption Date”	the date on which the adoption of the New Share Option Scheme is approved by the Shareholders
“Associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-Laws”	the Company’s bye-laws
“Close Associate”	has the meaning ascribed thereto in the Listing Rules
“Companies Act”	The Companies Act 1981 of Bermuda (as amended)
“Company”	Chow Sang Sang Holdings International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are currently listed on the main board of the Stock Exchange
“Connected Person”	has the meaning ascribed thereto in the Listing Rules
“Core Connected Person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee”	any employee (whether full time or part time employee, including any executive director but not any non-executive director) of the Company, any of its subsidiaries or any Invested Entity

DEFINITIONS

“Eligible Participant”	<p>any individual belonging to any of the following classes of participants:</p> <ul style="list-style-type: none">(a) any Eligible Employee;(b) any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;(c) any individual acting in his capacity as an adviser or a consultant that provides research, development or other support or advice to the Group or any Invested Entity;(d) any shareholder of any member of the Group or any Invested Entity or any holder of securities issued by any member of the Group or any Invested Entity; and(e) any distributor, contractor, customer, supplier, agent, business partner, joint venture business partner, promoter and service provider to the Group or any Invested Entity whom the Directors consider, in their sole discretion, has contributed or may contribute to the Group and any Invested Entity
“Exercise Notice”	<p>the notice in writing issued by the Grantee to the Company stating that the Vested Option or part thereof is thereby exercised and the number of Shares in respect of which it is exercised</p>
“Existing Share Option Scheme”	<p>the existing share option scheme of the Company adopted on 7 December 2010</p>
“Grantee(s)”	<p>any Eligible Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee</p>
“Grant Date”	<p>the date of grant of an Option, which shall be a Business Day</p>
“Group”	<p>the Company and its subsidiaries from time to time</p>

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“inside information”	has the meaning ascribed thereto in the Listing Rules
“Invested Entity”	any entity in which the Group holds any equity interest
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the 2020 AGM to exercise all powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of shares of the Company in issue as at the date of passing of the resolution approving such mandate
“Latest Practicable Date”	16 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Member(s)” or “Shareholder(s)”	the holder(s) of the Share(s)
“New Share Option Scheme”	the 2020 share option scheme proposed to be adopted by the Shareholders at the 2020 AGM
“Notice of AGM”	the notice of the 2020 AGM as set out on pages 36 to 42 of this circular
“Offer”	an offer to grant an Option
“Offer Date”	the date on which the Board passes a resolution approving the grant of an Option to an Eligible Participant
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	the period from the date of grant of an Option up to the date on which the Option will lapse as determined by the Board, which shall not be more than ten (10) years from its date of grant and may comprise a Vesting Period in respect of the Option or part thereof

DEFINITIONS

“Personal Representative(s)”	the person or persons who, according to the laws of succession applicable in respect of the death of an individual, is or are entitled to deal with the property of that individual
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the 2020 AGM to exercise all powers of the Company to repurchase Shares not exceeding 10% of the aggregate number of shares of the Company in issue as at the date of passing of the resolution approving such mandate
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unvested Option”	an Option or part thereof which has not yet become exercisable pursuant to the terms on which the Option is granted
“Vested Option”	an Option or part thereof which has become exercisable pursuant to the terms on which the Option is granted
“Vesting Period(s)”	such period of time within the Option Period, as may be determined by the Board in its absolute discretion and set out in the terms of the grant of the Option, during which the right to exercise the Option in respect of all or some of the Shares to which the Option relates will vest, subject to and in accordance with the terms and conditions of the grant of the Option

LETTER FROM THE BOARD



CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

周生生集團國際有限公司[†]

(Incorporated in Bermuda with limited liability)

Stock code: 116

Directors:

Dr. CHAN Bing Fun[#]

Mr. Vincent CHOW Wing Shing

Dr. Gerald CHOW King Sing

Mr. Stephen TING Leung Huel^{*}

Mr. CHUNG Pui Lam^{*}

Mr. Winston CHOW Wun Sing

Mr. LEE Ka Lun[#]

Dr. LO King Man[#]

Mr. Stephen LAU Man Lung[#]

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business:

4/F, Chow Sang Sang Building

229 Nathan Road

Kowloon

Hong Kong

* *Non-executive Director*

Independent Non-executive Director

24 April 2020

To the Members

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
TERMINATION OF EXISTING SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Repurchase Mandate, the Issue Mandate, the re-election of retiring Directors, and the termination of Existing Share Option Scheme and adoption of New Share Option Scheme and to seek your approval at the 2020 AGM in connection with, *inter alia*, such matters.

[†] *For identification purpose only*

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES

At the last annual general meeting of the Company held on 31 May 2019, ordinary resolutions were passed to grant general mandates to the Directors to repurchase Shares and issue new Shares. These general mandates will lapse at the conclusion of the 2020 AGM. Resolutions will therefore be proposed at the 2020 AGM to renew these general mandates. The relevant resolutions, in summary, are:

- (1) to grant to the Directors a Repurchase Mandate as set out in paragraph 6(A) of the Notice of AGM.
- (2) to grant to the Directors an Issue Mandate as set out in paragraph 6(B) of the Notice of AGM.
- (3) to extend the Issue Mandate which allows the Directors to issue new Shares to the extent repurchased by the Company as set out in paragraph 6(C) of the Notice of AGM.

An explanatory statement required by the Listing Rules to be sent to Members in connection with the Repurchase Mandate is set out in Appendix I to this circular. This explanatory statement contains all requisite information reasonably necessary to enable Members to make an informed decision on whether to vote for or against the relevant resolution at the 2020 AGM.

RE-ELECTION OF RETIRING DIRECTORS

Dr. Gerald CHOW King Sing, Mr. LEE Ka Lun and Dr. LO King Man shall retire by rotation at the 2020 AGM pursuant to bye-law 99(B) of the Bye-Laws. All the retiring Directors, being eligible, will offer themselves for re-election at the 2020 AGM.

Mr. LEE Ka Lun and Dr. LO King Man, who have been serving as Independent Non-Executive Directors of the Company for more than 9 years, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Nomination Committee of the Company has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and director nomination policy and the Company's corporate strategy, and the independence of all Independent Non-executive Directors. The Nomination Committee

LETTER FROM THE BOARD

has recommended to the Board on re-election of all the retiring Directors including the aforesaid Independent Non-executive Directors who are due to retire at the 2020 AGM. Taking into consideration their actual contributions, their impartiality and their independent judgement on various issues that they bring to the discussions during Board and committee meetings, the Board is of the view that both Mr. LEE Ka Lun and Dr. LO King Man continue to meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines notwithstanding the length of their service to the Company and should therefore be re-elected.

Biographical details of the retiring Directors proposed for re-election, which are required to be disclosed pursuant to the Listing Rules, are as follows:

Dr. Gerald CHOW King Sing, aged 63, is an Executive Director of the Company. He is a member of the Nomination Committee of the Company and a director of a number of subsidiaries within the Group. He has joined the Group for over 30 years. Dr. CHOW is the elder brother of Mr. Winston CHOW Wun Sing and a cousin of Mr. Vincent CHOW Wing Shing. For community services in Hong Kong, Dr. CHOW is an expert member of the “Managing World Cities” Programme of the Faculty of Social Sciences, The University of Hong Kong. He is a panel member of the Public Affairs Forum under the Home Affairs Bureau, HKSAR until its cessation of operation in 2018, a former member of the Central Policy Unit of the Hong Kong Government (2009-2011) and a former council member of The Better Hong Kong Foundation (2007-2015). Dr. CHOW also served in the Central and Western District Fight Crime Committee (2009-2011). He is an honorary member of the Hong Kong Fire Services Officers’ Mess and the founding President of the Central and Western District Fire Safety Ambassador Honorary Presidents’ Association of the Hong Kong Fire Services Department. Dr. CHOW has been a voting member of the Po Leung Kuk Advisory Board since 1997. Dr. CHOW is also a member of the Bauhinia Foundation Research Centre and the Hong Kong Strategy.

As at the Latest Practicable Date, Dr. CHOW was interested in 76,026,394 Shares within the meaning of Part XV of the SFO, of which 960,000 Shares were in personal interest, 70,398 Shares were in family interest, 74,995,996 Shares were in corporate interest. The corporate interest of which 60,751,680 Shares held through Speed Star Holdings Limited, a substantial shareholder of the Company, and 14,244,316 Shares held through Eimoling Company Limited respectively.

LETTER FROM THE BOARD

There is no specific term on Dr. CHOW's length of service with the Company but he is subject to retirement by rotation and re-election at least once every three years at the Company's annual general meeting in accordance with the provisions of the Bye-Laws. He received director's remuneration in the amount of HK\$701,000 in 2019, of which HK\$360,000 was director's fee and the remaining as emoluments as an executive. The emoluments, which include salaries, allowances, pension scheme contributions and bonus, are determined in accordance with the terms under his employment contract. The director's fee and the terms under the employment contract are determined by the Board with the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities to the Group and the prevailing market situations.

Mr. LEE Ka Lun, FCCA, aged 65, is an Independent Non-executive Director of the Company, and the chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He was appointed as an Independent Non-executive Director of the Company on 28 September 2004. Mr. LEE is an accountant by profession and has over 25 years of experience in banking and auditing. He was the Regional Deputy Chief Executive of Lloyds TSB Bank plc and Regional Director – Finance and Operation of Lloyds TSB's operations in Asia for over 15 years and has extensive experience in corporate banking, private banking, treasury, operations, IT developments and general management. He is also a responsible officer approved by the Securities and Futures Commission and serves as an independent non-executive director of five other listed companies in Hong Kong, namely Yuexiu Property Company Limited, Chong Hing Bank Limited ("Chong Hing"), Medicskin Holdings Limited, Ever Harvest Group Holdings Limited and Best Mart 360 Holdings Limited. Mr. LEE served as an independent non-executive director of REXLot Holdings Limited until 29 June 2018. Mr. LEE is also an independent non-executive director of Yuexiu Financial Holdings Limited, a holding company of Chong Hing.

As at the Latest Practicable Date, Mr. LEE did not have interest in Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between the Company and Mr. LEE, Mr. LEE is appointed for a term of approximately three years. He is subject to retirement by rotation and re-election at least once every three years at the Company's annual general meeting in accordance with the provisions of the Bye-Laws. Mr. LEE received a director's fee of HK\$430,000 in 2019. The director's fee and the terms under the letter of appointment are determined by the Board at the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities to the Company and the prevailing market situations.

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Dr. LO King Man, SBS, BBS, MBE, JP, FRSA, FHKU, UFHKPU, FHKAPA, DocHKAPA, Cavaliere (Order of Merit, Italy), Chevalier (Order of Arts and Letters, France), aged 82, is an Independent Non-executive Director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He was appointed as an Independent Non-executive Director of the Company on 28 September 2004. Following a career in higher education management, Dr. LO held appointments as Director of the Hong Kong Academy for Performing Arts during 1993 to 2004 and as Principal of the Canton International Summer Music Academy established by the Guangdong Government during 2004 to 2009. His public service included vice-chairmanship of the former Urban Council and membership of the Hong Kong Special Administrative Region Basic Law Consultative Committee, Examination Authority, Broadcasting Authority, Vocational Training Council and Arts Development Council. He has served on governing boards of numerous educational and cultural organisations. Dr. LO is the Chairman of the Hong Kong Arts Festival Programme Committee and the Vice Chairman of the Hong Kong Arts Festival Executive Committee. Dr. LO is also the Director-general of Musica Viva Limited. He is an independent non-executive director of another listed company in Hong Kong – Sing Lee Software (Group) Limited.

As at the Latest Practicable Date, Dr. LO did not have interest in Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between the Company and Dr. LO, Dr. LO is appointed for a term of approximately three years. He is subject to retirement by rotation and re-election at least once every three years at the Company's annual general meeting in accordance with the provisions of the Bye-Laws. Dr. LO received a director's fee of HK\$360,000 in 2019. The director's fee and the terms under the letter of appointment are determined by the Board at the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities to the Company and the prevailing market situations.

Save as disclosed above, all the above retiring Directors do not have any former name and alias. They did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and do not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company nor do they hold any other positions in the Group.

Save as disclosed above, there are no other matters concerning the retiring Directors that need to be brought to the attention of the Members nor any information to be disclosed pursuant to the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

LETTER FROM THE BOARD

TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

Existing Share Option Scheme

The Existing Share Option Scheme, with a term of 10 years, will expire on 7 December 2020. In view of the expiration of the Existing Share Option Scheme, an ordinary resolution will be proposed at the 2020 AGM to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme. As at the Latest Practicable Date, the Company has not adopted any share option scheme other than the Existing Share Option Scheme.

As at the Latest Practicable Date, 7,531,000 options (representing 1.1117% of the issued Shares as at the Latest Practicable Date upon the exercise of such options) have been granted to continuous contract employees of the Group under the Existing Share Option Scheme since its date of adoption, of which 514,000 options (representing 0.0759% of the issued Shares as at the Latest Practicable Date upon the exercise of such options) have been exercised, 1,564,000 options (representing 0.2309% of the issued Shares as at the Latest Practicable Date upon the exercise of such options) have lapsed and no options have been cancelled. The outstanding share options under the Existing Share Option Scheme will remain valid and exercisable after the termination of the Existing Share Option Scheme. Save for employees and directors of the Group, the Company has not granted any options under the Existing Share Option Scheme to participant in any other classes of the Eligible Participant.

An aggregate of 5,453,000 Shares (representing 0.8049% of the issued Shares as at the Latest Practicable Date) remain issuable upon the exercise in full of all outstanding options under the Existing Share Option Scheme which are yet to be exercised upon vesting under the Existing Share Option Scheme. Save as aforesaid and up to the Latest Practicable Date, no other options have been granted under the Existing Share Option Scheme or any other schemes. The Directors confirm that no further options will be granted under the Existing Share Option Scheme from the Latest Practicable Date to the date of the 2020 AGM.

New Share Option Scheme

It is proposed that subject to the approval by the Shareholders of the adoption of the New Share Option Scheme at the 2020 AGM and the conditions precedent of the New Share Option Scheme having been satisfied or fulfilled, the operation of the Existing Share Option Scheme shall be terminated with effect from the conclusion of the 2020 AGM (such that no further options could thereafter be offered under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in

LETTER FROM THE BOARD

full force and effect). Options granted during the life of the Existing Share Option Scheme and remain unexpired prior to the expiry of the Existing Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the expiry of the Existing Share Option Scheme. The New Share Option Scheme shall take effect, subject to the Stock Exchange granting the necessary approvals for the listing of and dealing in the Shares to be issued and allotted pursuant to the exercise of options in accordance with the terms and conditions of the New Share Option Scheme, on the Adoption Date. Operation of the New Share Option Scheme will commence after all conditions precedent have been fulfilled. The provisions of the New Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to replace the Existing Share Option Scheme, to provide incentives or rewards to Eligible Participants who have contributed or may contribute to the Group and to enable the Group to attract and retain employees and other personnel that are valuable to the Group and any Invested Entity.

Eligible Persons under the New Share Option Scheme

The New Share Option Scheme intends to cover Eligible Participants including:

- (a) any full time or part time employee and director of the Company, any of its subsidiaries or any Invested Entity;
- (b) any shareholder of any member of the Group or any Invested Entity or any holder of securities issued by any member of the Group or any Invested Entity; and
- (c) any adviser or consultant that provides research, development or other support or advice to the Group or any Invested Entity, and any distributor, contractor, customer, supplier, agent, business partner, joint venture business partner, promoter and service provider to the Group or any Invested Entity whom the Directors consider, in their sole discretion, has contributed or may contribute to the Group and any Invested Entity.

The Board believes that the inclusion of above parties other than the employees and directors of the Group is appropriate, fair and reasonable because the success of the Group would be affected by whether there is a long term and sustainable business relationship with the parties who play a role in the business of the Group and the Invested Entity.

LETTER FROM THE BOARD

In particular, in respect of persons such as any Invested Entity and any employees, directors, and other personnel related thereof, since the Group may also engage its businesses through various joint venture companies which can make material financial contributions to the Group, the Company believes that these persons also share common interests and business objectives with the Group, and therefore, would be in a position to contribute to the overall business development of the Group. In respect of parties such as any shareholder of, or any holder of securities issued by, any member of the Group or any Invested Entity (i.e. the parties listed under category (b)), the Company considers that these parties can contribute to the Group by being a long-term strategic investor, a partner of the Group or by introducing potential business opportunities to the Group. In respect of the parties listed under category (c), the Company believes that the success of the Group not only depends on the contributions by the employees and directors of the Group, but also hinges on the co-operations and contributions from parties who play a part in the day-to-day business and operations of the Group, including these advisor, consultant, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner, promoter and service provider of the Group and of any Invested Entity.

For the reasons elaborated above, the Company considers that it is necessary to ensure the scope of Eligible Participants is wide enough to cover these individuals and entities, which are able to contribute to the Group but fall outside the traditional employer-and-employee relationship. Therefore, it is desirable for, and in the interest of, the Company to align the interests of such parties with those of the Group, incentivise the participation and involvement in promoting the businesses of the Group and to maintain good business relationships with such parties. Further, the Company should be allowed the flexibility to incentivise and reward to these parties as the Company considers commercially appropriate. The Board will consider factors such as performance conditions, or targets to be achieved and potential and/or actual contribution to the business affairs of and benefits to the Group and any Invested Entity on a case by case basis when determining the eligibility of any Eligible Participant. In addition, the adoption of the New Share Option Scheme is in line with modern commercial practice that, apart from members of the Group, employees, directors and other personnel related to the Invested Entity too be given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group as a whole.

The Board proposes the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date. The Directors consider that there is no material difference between the terms of the Existing Share Option Scheme and the New Share Option Scheme. As at the Latest Practicable Date, the Company had not proposed to grant or has no immediate plan to grant any Options under the New Share Option Scheme. Under the New Share Option Scheme, Directors are empowered to set Vesting Periods.

LETTER FROM THE BOARD

There is no performance target that has to be achieved before the exercise of any Option and no minimum period of the Options to be held, except otherwise imposed by the Board pursuant to the New Share Option Scheme and stated in the offer of grant of an Option. In addition, the Vesting Period requirement will serve as an incentive for the respective Grantees for their continuing commitment and contribution to the growth of the Group in the future. The basis for determining the Subscription Price is also specified precisely in the rules of the New Share Option Scheme. With such authority and flexibility, the Directors may impose different conditions in the grant of Options to individual Eligible Participants which they consider appropriate having considered their respective duties and the then employment market condition with a view to achieving the purposes of the New Share Option Scheme as stated above.

The Company is not required to appoint any trustee for the purpose of administering the New Share Option Scheme under its rules. The New Share Option Scheme will be subject to the administration of the Board. None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme (if any).

Value of the Options

The Directors consider that it is inappropriate to state the value of the Options that may be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders and to a certain extent would be misleading to the Shareholders, taking into account the number of variables which are crucial for assessing the value of the Options have not been determined. Such variables include the Subscription Price, Option Period, any performance target to be achieved as condition and all other relevant variables.

Scheme mandate limit and maximum number of Shares issuable

The total number of Shares which may be issued upon the exercise of all options to be granted under the New Share Option Scheme and any other share option scheme must not, in aggregate, exceed 10% of the total number of Shares in issue as at the Adoption Date initially. Based on the 677,434,000 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the date of the 2020 AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Share Option Scheme under such initial mandate limit is 67,743,400 Shares. The Company may seek approval by the Shareholders in general meetings to refresh the 10% initial mandate limit. Notwithstanding that the mandate limit may be refreshed, the Board shall not grant Options

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which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company (including the Existing Share Option Scheme) which entitle the holders to acquire or subscribe for Shares exceeding, in aggregate, 30% of the total number of Shares in issue from time to time.

2020 AGM

At the 2020 AGM, ordinary resolutions in respect of, among other things, the general mandates to repurchase Shares and issue new Shares, the re-election of retiring Directors, and the termination of Existing Share Option Scheme and adoption of New Share Option Scheme will be proposed.

Members are advised to read the Notice of AGM and the accompanying important note, and to complete and return the accompanying form of proxy for use at the 2020 AGM in accordance with the instructions stated thereon.

VOTING AT THE 2020 AGM

Pursuant to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the resolutions set out in the Notice of AGM will be decided by poll pursuant to the Listing Rules. The chairman of the 2020 AGM will explain the detailed procedures for conducting a poll at the meeting.

On a poll, every Member present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid Share held. A Member present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all his votes or cast all his votes in the same way.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the termination of Existing Share Option Scheme and adoption of New Share Option Scheme and accordingly, no Shareholders are required to abstain from voting on the relevant ordinary resolution to be proposed at the 2020 AGM.

After the conclusion of the 2020 AGM, an announcement on the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.chowsangsang.com.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed granting of the Repurchase Mandate and the Issue Mandate, the re-election of retiring Directors, and the termination of Existing Share Option Scheme and adoption of New Share Option Scheme are in the best interests of the Company and the Members as a whole and therefore recommend Members to vote in favour of the relevant resolutions to be proposed at the 2020 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.

DOCUMENT AVAILABLE FOR INSPECTION

A summary of the principal terms of the New Share Option Scheme is set out in Appendix II to this circular. A copy of the New Share Option Scheme will be available for inspection at the office of the Company at 27/F, 9 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including the date of the 2020 AGM and will be available for inspection at the 2020 AGM (and any adjournment thereof, as the case may be).

Yours faithfully,

By order of the Board

Chow Sang Sang Holdings International Limited

Vincent CHOW Wing Shing

Chairman

This explanatory statement contains all the requisite information required to be given to the Members pursuant to rule 10.06(1)(b) and other relevant provisions of the Listing Rules, for their consideration of the Repurchase Mandate.

SHARE CAPITAL

Exercise in full of the Repurchase Mandate, on the basis of 677,434,000 Shares in issue of the Company as at the Latest Practicable Date and with the assumption that no Share will be repurchased or issued between the Latest Practicable Date and the 2020 AGM date, would result in up to 67,743,400 Shares being repurchased by the Company during the period from passing of the resolution until whichever is the earliest of (a) the conclusion of the next annual general meeting; (b) the expiration of the period within which the next annual general meeting is required by law to be held; and (c) the authority given to the Directors is revoked or varied by ordinary resolution of Members in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Members to have a general authority from Members to enable the Directors to repurchase shares of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Members.

SOURCE OF FUNDS

In repurchasing Shares, the Company shall only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-Laws and the laws of Bermuda. The legally available funds are funds from the distributable profit of the Company.

IMPACT OF REPURCHASES

The exercise in full of the Repurchase Mandate may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements in the annual report of the Company for the year ended 31 December 2019. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

DIRECTORS' UNDERTAKING AND CORE CONNECTED PERSONS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution to be approved at the 2020 AGM in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their Close Associates have a present intention, in the event that the Repurchase Mandate is approved by the Members, to sell Shares to the Company.

No Core Connected Persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Members.

TAKEOVERS CODE

If as a result of a share repurchase a Member's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Member or a group of Members acting in concert (within the meaning under the Takeovers Code) could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Vincent CHOW Wing Shing, Director, is the beneficiary of a discretionary trust, which is the single largest Member and interested in 136,271,595 Shares, representing 20.12% of the number of issued shares of the Company. If the Repurchase Mandate was exercised in full, the shareholding of the aforesaid discretionary trust in the Company would be increased to 22.35%. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. In addition, the Company will not purchase its Shares which will reduce the total number of issued shares of the Company in public hands to below 25%.

SHARE REPURCHASES MADE BY THE COMPANY

No repurchase has been made by the Company during the six months prior to the Latest Practicable Date, whether on the Stock Exchange or otherwise.

SHARE PRICE

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	13.88	12.16
May	13.08	10.76
June	11.58	10.72
July	11.98	10.56
August	11.00	8.92
September	9.43	8.33
October	9.44	8.28
November	9.77	8.64
December	10.10	8.88
2020		
January	11.22	9.11
February	9.49	8.88
March	9.39	7.06
April*	7.90	7.07

* *Up to the Latest Practicable Date*

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

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the 2020 AGM.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentives or rewards to Eligible Participants who have contributed or may contribute to the Group and to enable the Group to attract and retain employees and other personnel that are valuable to the Group and any Invested Entity.

2. WHO MAY JOIN

The Board may, at its discretion, select any Eligible Participant to take up Options to subscribe for Shares at a price determined in accordance with paragraph 6 below.

In determining the basis of eligibility of each Eligible Participant, the Board may base on factors as it may at its discretion considers appropriate.

3. CONDITIONS

The adoption of the New Share Option Scheme is conditional upon (a) the passing of ordinary resolution(s) by the Shareholders in a general meeting of the Company to approve the New Share Option Scheme; and (b) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the subscription rights attaching to the Options under the New Share Option Scheme on the Stock Exchange.

4. DURATION AND ADMINISTRATION

4.1 Subject to the termination provisions set out in paragraph 15 below, the New Share Option Scheme shall be valid for a period of ten (10) years commencing from the Adoption Date, after which period no further Option will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects, and Options which are granted during the duration of the New Share Option Scheme and remain unexercised may continue to be exercisable in accordance with their terms of grant within the Option Period for which such Option are granted, notwithstanding the expiry of the New Share Option Scheme.

**APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF
THE NEW SHARE OPTION SCHEME**

- 4.2 The New Share Option Scheme shall be subject to the administration of the Board whose decision (save as provided in paragraphs 5.8, 9.1(b), 9.1(c) and 10.1(b)) shall be final and binding on all parties concerned.
- 4.3 The Company will disclose details of the New Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

5. GRANT OF OPTIONS

- 5.1 On and subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time, within ten (10) years commencing from the Adoption Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Subscription Price subject to such conditions, including but not limited to any Vesting Period(s) for the Option or part thereof, if any, as the Board may think fit, provided that no such grants shall be made except to such number of Eligible Participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in the breach by the Company or the Directors of any applicable securities laws and regulations or in any filing or other requirements arising.
- 5.2 There is no performance target that has to be achieved before the exercise of any Option except otherwise imposed by the Board pursuant to the New Share Option Scheme and stated in the offer of grant of an Option.
- 5.3 The Company may not grant any Options after inside information has come to its knowledge until it has announced the information in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Listing Rules. In particular, during the period commencing one (1) month immediately before the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for

the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement (including any period of delay in the publication of results announcement), no Option may be granted.

- 5.4 An Offer shall be made to an Eligible Participant in writing in such form as the Board may from time to time determine, setting out the terms of the Offer including the Subscription Price and requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned for a period of thirty (30) days from the date upon which it is made provided that no such Offer shall be open for acceptance after the expiry of ten (10) years commencing from the Adoption Date or after the New Share Option Scheme has been terminated, whichever is earlier.
- 5.5 An Option shall be deemed to have been granted and to have taken effect (with retrospective effect from the Offer Date) when the duplicate letter comprising acceptance of the Option duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.
- 5.6 Any Offer may only be accepted by the Eligible Participant in whole but not in part in respect of which it is offered. To the extent that the Offer is not accepted within the period as stipulated in sub-paragraph 5.4 above, it will be deemed to have been irrevocably declined.
- 5.7 Grant of Options to a Director, chief executive or substantial shareholder of the Company or their respective Associates shall be subject to approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of the Options).

**APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF
THE NEW SHARE OPTION SCHEME**

5.8 Where the Board proposes to grant Options to a substantial shareholder or an independent non-executive Director, or any of their respective Associates, which would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such proposed grant of Options must be approved by the Shareholders in general meeting of the Company. The Company must send a circular to the Shareholders. The Grantee, his Associate and all Core Connected Persons of the Company must abstain from voting in favour of the relevant resolution proposed at the general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. The aforesaid circular shall contain all necessary information required under the Listing Rules, which include:

- (a) details of the number and terms (including the Subscription Price) of the Options to be granted to each such substantial shareholder or independent non-executive Director or any of their respective Associates, which must be fixed before the Shareholders' meeting, and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the Subscription Price under the Listing Rules;
- (b) a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is a proposed Grantee of the Options) to the independent Shareholders as to voting;
- (c) the information relating to any Director who is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee, a statement in the form set out in paragraph 2 of Appendix 1, Part B of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

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

The requirements for granting Options to a Director or chief executive of the Company as set out in this paragraph do not apply where the Eligible Participant is only a proposed Director or a proposed chief executive of the Company.

Any change in the terms of the Options granted to a substantial shareholder or an independent non-executive Director, or any of their respective Associates must be approved by the Shareholders in general meeting of the Company and rules and procedure set forth in paragraph 5.8 shall apply *mutatis mutandis*.

6. SUBSCRIPTION PRICE

The Subscription Price shall be a price as determined by the Board in its absolute discretion and which shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the relevant Grant Date;
- (b) a price being the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the relevant Grant Date; and
- (c) the nominal value of a Share.

7. EXERCISE OF OPTIONS

7.1 An Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option (save that the Grantee may, upon the exercise of any Vested Option(s), nominate a nominee in whose name the share issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall result in any outstanding Option or part thereof granted to such Grantee be lapsed.

7.2 Subject to paragraph 7.3 and other applicable condition, any Vested Option may be exercised in whole or in part during the applicable Option Period by the Grantee (or, as the case may be, his Personal Representative(s)) by giving notice in writing to the Company stating that the Vested Option or part

thereof is thereby exercised and the number of Shares in respect of which it is exercised. Each of such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the Vested Option or part thereof is given. Within thirty (30) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate from the independent financial adviser or auditor of the Company pursuant to paragraph 11 below, subject to the limitation set out in paragraph 7.1, the Company shall allot the relevant Shares to the Grantee (or his Personal Representative(s)) or his nominee(s) credited as fully paid and, where appropriate, issue to the Grantee (or his Personal Representative(s)) or his nominee(s), in each case as directed by the Grantee in the Exercise Notice, a share certificate in respect of the Shares so allotted.

- 7.3 Subject to the terms and conditions of the New Share Option Scheme, a Vested Option may be exercised by the Grantee (or his Personal Representative(s)) at any time during the applicable Option Period provided that:
- (a) in the event of the Grantee who is an Eligible Employee ceasing to be an Eligible Employee due to his voluntary resignation, the Grantee may exercise any Vested Option in whole or in part (to the extent not already exercised) up to his entitlement as at the date of termination of his employment on or before the date of termination, which date shall be the last actual date of employment with the Company, the relevant subsidiary of the Company or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such later date following such date of termination as the Board may determine, and any Unvested Option of such Grantee as at the date of termination of his employment will lapse on the date following such day;
 - (b) in the event of the Grantee who is an Eligible Employee ceasing to be an Eligible Employee due to his normal retirement (榮休) in accordance with the employee handbooks or other similar internal guidelines of the Company, the relevant subsidiary of the Company or the relevant Invested Entity or the employment contract of the Grantee, the Grantee may exercise any Vested Option in whole or in part (to the extent not already exercised) up to his entitlement as at the date of his normal retirement within the period of one (1) month following the date of such normal retirement, which date shall be the last actual date of employment with the Company, the relevant subsidiary of the Company or the relevant Invested Entity whether salary is paid in lieu of notice or

not, or such longer period following the date of normal retirement as the Board may determine. In respect of any Unvested Option or part thereof, the Board has the sole discretion to determine the acceleration of its vesting such that such Unvested Option shall become Vested Option on the date of his normal retirement and in that case, the Board shall notify the Grantee such acceleration in writing before the date of his normal retirement. Any Unvested Option of such Grantee without acceleration of vesting as at the date of his normal retirement will lapse on the date following such day;

- (c) in the event of the Grantee who is an Eligible Employee ceasing to be an Eligible Employee due to his early retirement (退休) in accordance with the employee handbooks or other similar internal guidelines of the Company, the relevant subsidiary of the Company or the relevant Invested Entity or the employment contract of the Grantee, the Grantee may exercise any Vested Option in whole or in part (to the extent not already exercised) up to his entitlement as at the date of his early retirement within the period of one (1) month following the date of such early retirement, which date shall be the last actual date of employment with the Company, the relevant subsidiary of the Company or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of early retirement as the Board may determine. Any Unvested Option of such Grantee as at the date of his early retirement will lapse on the date following such day;

- (d) in the event of the Grantee who is an Eligible Employee ceasing to be an Eligible Employee by reason of the termination of his employment with the Company, the relevant subsidiary of the Company or the relevant Invested Entity on the ground of disability due to physical injury or ill health or insanity, provided that none of the events which would be a ground for termination of his employment under paragraph 8(d) below arises prior to the termination of his employment, the Grantee may exercise any Vested Option in whole or in part (to the extent not already exercised) up to his entitlement as at the date of termination of his employment within the period of one (1) month following the date of such termination of employment, which date shall be the last actual date of employment with the Company, the relevant subsidiary of the Company or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of termination of

his employment as the Board may determine. In respect of any Unvested Option or part thereof, the Board has the sole discretion to determine the acceleration of its vesting such that such Unvested Option shall become Vested Option on the date of termination of his employment and in that case, the Board shall notify the Grantee such acceleration in writing on or before the date of termination of his employment. Any Unvested Option of such Grantee without acceleration of vesting as at the date of termination of his employment will lapse on the date following such day;

- (e) in the event of the Grantee who is an Eligible Employee ceasing to be an Eligible Employee for any reason other than (i) those stated in this paragraph 7.3(a), (b), (c) and (d); (ii) his death; or (iii) the termination of his employment on one or more of the grounds specified in paragraph 8(d) below, the Grantee may exercise any Vested Option in whole or in part (to the extent not already exercised) up to his entitlement as at the date of termination of his employment or cessation as an Eligible Employee within the period of one (1) month following the date of termination of employment or cessation as an Eligible Employee, which date, where applicable, shall be the last actual date of employment with the Company, the relevant subsidiary of the Company or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of termination of employment or cessation as an Eligible Employee as the Board may determine. Any Unvested Option of such Grantee as at the date of termination of his employment or cessation as an Eligible Employee will lapse on the date following such day;
- (f) in the event of the Grantee who is not an Eligible Employee ceasing to be an Eligible Participant for any reason other than his death, the Grantee may exercise his Vested Option in whole or in part (to the extent not already exercised) up to his entitlement at the date he ceases to be an Eligible Participant within the period of one (1) month following the date of cessation. All unexercised Vested Options will automatically lapse thereafter. All Unvested Options as at the date of the Grantee ceasing to be an Eligible Participant will lapse on the date following such day;

- (g) in the event that the Grantee ceases to be an Eligible Participant by reason of death, the Personal Representative(s) of this Grantee shall be entitled within a period of twelve (12) months from the date of death (or such longer period as the Board may determine) to exercise the Vested Option in full (to the extent not already exercised). In respect of any Unvested Option or part thereof, the Board has the sole discretion to determine the acceleration of its vesting such that such Unvested Option shall become Vested Option on the date of his death and in that case, the Board shall notify the Personal Representative(s) of the Grantee such acceleration in writing before the expiry of such 12-month period. All unexercised Vested Options and Unvested Options will automatically lapse thereafter;
- (h) in the event of a general offer, whether by way of takeover offer or share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Vested Options granted to them, shareholders of the Company. If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes, or is declared unconditional, the Grantee (or his Personal Representative(s)) shall be entitled to exercise the Vested Option in full (to the extent not already exercised) at any time within fourteen (14) days after the date on which such general offer becomes or is declared unconditional. All unexercised Vested Options or Unvested Options will automatically lapse thereafter;
- (i) in the event a notice is given by the Company to its 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 any Grantee (or his Personal Representative(s)) may at any time thereafter (but before such time as shall be notified by the Company (the "Exercise Deadline")) exercise the Vested Options to their respective full extent. In respect of any Unvested Option or part thereof, the Board has the sole discretion to determine the acceleration of its vesting such that such

Unvested Option shall become Vested Option immediately and in that case, the Board shall notify the Grantee such acceleration in writing on or before the Exercise Deadline. All unexercised Vested Options or Unvested Options will automatically lapse thereafter. The Company shall as soon as possible and in any event no later than the Business Day prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on such exercise; and

- (j) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies under the Companies Act, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) on the same date as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or where permitted under paragraph 7.3(g) his Personal Representative(s)) shall be entitled to exercise all or any of his Vested Options in whole or in part at any time prior to 12:00 noon on the day immediately preceding the date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Vested Options and Unvested Options shall, to the extent that they have not been exercised, lapse and terminate. The Directors shall endeavour to procure that the Shares issued as a result of the exercise of Vested Options under this paragraph 7.3(j) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court) the rights of Grantees to exercise their respective Vested Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed

by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension. Subject to the above, all Vested Options and Unvested Options will lapse automatically on the date the proposed compromise or arrangement becomes effective.

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders thereof to participate in voting, transfer and other rights including those arising on liquidation of the Company, and all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company.

8. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the exercise periods in respect of Vested Options; and the lapse dates in respect of Unvested Options referred to in sub-paragraphs 7.3(a) to (j);
- (c) the date of commencement of the winding-up of the Company;
- (d) the date on which the Grantee ceases to be an Eligible Employee by reason of the termination of his employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving

**APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF
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his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant subsidiary of the Company or the relevant Invested Entity;

- (e) the date on which the Grantee commits a breach of the provision set out in paragraph 7.1;
- (f) if the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his Associate has committed any breach of any contract entered into between the Grantee or his Associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined; or
- (g) the date on which the Board in its absolute discretion determines that the Grantee has committed a breach or failed to comply with any obligation or provisions (other than the provision set out in paragraph 7.1) or perform and observe any of the terms, conditions, restrictions and/or limitations attached to the grant of the Option or set out herein.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 (a) The total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, unless the Company seeks an approval by the Shareholders pursuant to paragraph 9.1(b) below for refreshing the mandate. The Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating such 10% limit.

- (b) The Company may seek approval by the Shareholders in general meeting for refreshing the 10% limit set out in paragraph 9.1(a) above such that the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under the New Share Option Scheme and the Existing Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme or the Existing Share Option Scheme) will not be counted for the purpose of calculating such limit as refreshed. In such a case, the Company must send a circular to the Shareholders containing the information as required under the Listing Rules.
- (c) The Company may seek separate approval by the Shareholders in general meeting for granting options beyond the 10% limit provided that the Option(s) in excess of such limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company must send a circular to the Shareholders containing, amongst other terms, a generic description of the specified Eligible Participant(s) who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the specified Eligible Participant(s), an explanation as to how the terms of the Options serve such purpose and the information required under the Listing Rules.

9.2 Notwithstanding any provision in paragraph 9.1 above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company (including the Existing Share Option Scheme) must not exceed 30% of the total number of Shares in issue from time to time. No option may be granted under the New Share Option Scheme if this will result in such limit being exceeded.

10. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

- 10.1 (a) Subject to paragraph 10.1(b) below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (b) Notwithstanding paragraph 10.1(a), where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Participant under the New Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to: (i) the issue of a circular by the Company to the Shareholders disclosing the identity of such Eligible Participant, the numbers and terms of the Options to be granted (and Options previously granted to such Eligible Participant), the information required under Rule 17.02(2)(d) and the disclaimer required under rule 17.02(4) of the Listing Rules; and (ii) the approval by the Shareholders in general meeting with such Eligible Participant and his Close Associates (or his Associate if the Eligible Participant is a Connected Person) abstaining from voting. The number and terms of the Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.
- 10.2 Subject to the above paragraphs 9.1, 9.2 and 10.1, in the event of alteration in the capital structure of the Company by way of consolidation or subdivision of the share capital of the Company, the maximum number of Shares referred to in the above paragraphs 9.1, 9.2 and 10.1 may be adjusted in such manner as an independent financial adviser or the auditor of the Company (acting as experts and not as arbitrators) shall confirm to the Directors in writing to be fair and reasonable and provided that, the maximum number of Shares that may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such share consolidation or subdivision remains the same.

**APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF
THE NEW SHARE OPTION SCHEME**

11. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains outstanding, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price,

as the Company's independent financial adviser or auditor shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration and that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, so that no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction.

In addition, in respect of any such alteration as provided in this paragraph 11, other than any made on a capitalisation issue, the Company's independent financial adviser or auditor must confirm to the Directors in writing that the alteration satisfies the requirements of the supplementary guidance set out in the letter issued by the Stock Exchange dated 5 September 2005 and the relevant provision of the Listing Rules. The capacity of the Company's independent financial adviser or auditor in this paragraph 11 is that of experts and not of arbitrators and their certification, in the absence of manifest error, shall be final, conclusive and binding on the Company and the Grantees. The costs of the Company's independent financial adviser or auditor shall be borne by the Company.

12. SHARE CAPITAL

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

13. DISPUTES

Any dispute arising in connection with the New Share Option Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the auditor of the Company or an independent financial adviser appointed by the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

14. ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (a) any changes to the definitions of Eligible Participant, Grantee and Option Period in the New Share Option Scheme;
- (b) any changes to the provisions relating to matters contained in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants;
- (c) any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature;
- (d) any change to the terms of the Options granted; or
- (e) any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme,

must be approved by a resolution of the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the New Share Option Scheme, provided that the amended terms of the New Share Option Scheme or the Options shall still comply with the relevant requirements of Chapter 17 of the Listing Rules and that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of Grantees as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to Options granted under the New Share Option Scheme and provided further that any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature shall be approved by the Stock Exchange first.

15. TERMINATION

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

16. CANCELLATION OF OPTIONS

The Board shall have the absolute discretion to cancel any Option granted but not yet been exercised at any time at the request of the Grantee. Where the Company cancels Options and makes an offer of the grant of new options to the same Grantee, the Offer may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph 9.

NOTICE OF ANNUAL GENERAL MEETING



CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

周生生集團國際有限公司[†]

(Incorporated in Bermuda with limited liability)

Stock code: 116

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Chow Sang Sang Holdings International Limited (the “Company”) will be held at 4/F, Chow Sang Sang Building, 229 Nathan Road, Kowloon, Hong Kong on Thursday, 11 June 2020 at 10:30 a.m. for the following purposes:

As ordinary business:

1. To receive and adopt the audited consolidated financial statements, report of the directors and independent auditor’s report for the year ended 31 December 2019.
2. To declare a final dividend of HK25 cents per ordinary share for the year ended 31 December 2019.
3. To re-elect the following retiring directors of the Company, each as a separate resolution:
 - (i) Dr. Gerald CHOW King Sing
 - (ii) Mr. LEE Ka Lun
 - (iii) Dr. LO King Man
4. To authorise the board of directors of the Company to fix the remuneration of the directors.
5. To re-appoint Ernst & Young as auditor and to authorise the board of directors of the Company to fix its remuneration.

[†] *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

As special business:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:

6. (A) “THAT:
- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company are listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of shares repurchased pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of shares of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and
 - (c) for the purposes of this resolution:

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

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the date upon which the authority given to the Directors as set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

(B) “THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers to allot, issue and deal with additional shares in the capital of the Company under paragraph (a) of this resolution after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue;
 - (ii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to the eligible participants of shares or rights to acquire shares of the Company; or
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company,

shall not exceed 20% of the aggregate number of shares of the Company in issue at the date of passing of this resolution and this approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date upon which the authority given to the Directors as set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

(C) “**THAT** conditional upon the passing of resolutions numbers 6(A) and 6(B) as set out in the notice convening the meeting, the general mandate referred to in resolution number 6(B) as set out in the notice convening the meeting be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the aggregate number of shares of the Company repurchased by the Company since the granting of the said general mandate pursuant to resolution number 6(A) as set out in the notice convening the meeting, provided that such extended number shall not exceed 10% of the aggregate number of shares of the Company in issue at the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. “THAT:

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company to be issued pursuant to the exercise of the share options which may be granted under the share option scheme of the Company (the “New Share Option Scheme”), a copy of which has been produced to the meeting and marked “A” and initialled by the chairman of the meeting for the purposes of identification, the New Share Option Scheme be and is hereby approved and adopted, and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including without limitation, administering the New Share Option Scheme and granting options under the New Share Option Scheme; modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”); issuing and allotting from time to time such number of shares in the share capital of the Company as may be required to be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme and subject to the Listing Rules; and making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any shares or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme;
- (b) the total number of shares of the Company which may be issued and allotted upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution; and
- (c) conditional upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company on 7 December 2010 (the “Existing Share Option Scheme”) be and is hereby terminated with effect from the date of adoption of the New Share Option Scheme and that no further share options will be granted under the Existing Share Option Scheme but in all other respects the provisions of the

NOTICE OF ANNUAL GENERAL MEETING

Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with provisions of the Existing Share Option Scheme and share options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.”

By order of the Board
Chow Sang Sang Holdings International Limited
Morison CHAN Chi Kong
Company Secretary

Hong Kong, 24 April 2020

Notes:

1. A member entitled to attend and vote at the Meeting or at any adjournment thereof is entitled to appoint multiple proxies to attend and vote instead of him in accordance with the bye-laws of the Company; a proxy need not be a member of the Company.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy or by representative, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. The register of members of the Company will be closed from Monday, 8 June 2020 to Thursday, 11 June 2020, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining members' entitlement to attend and vote at the Meeting. In order to be entitled to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 5 June 2020.
4. Upon the approval by members at the Meeting, the proposed final dividend shall be distributed to members whose names appear on the register of members of the Company on Friday, 19 June 2020. The register of members of the Company will be closed from Wednesday, 17 June 2020 to Friday, 19 June 2020, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining members' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Tricor Tengis Limited, at the address as set out in paragraph 3 above not later than 4:30 p.m. on Tuesday, 16 June 2020.
5. In order to be valid, a form of proxy, together with a 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 deposited at the Company's branch share registrar, Tricor Tengis Limited, at the address as set out in paragraph 3 above not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

6. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the Meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.

7. If a tropical cyclone warning signal no. 8 or above is in force after 8:30 a.m. on the date of the Meeting, the Meeting will be postponed or adjourned. The Company will as soon as practicable post an announcement on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.chowsangsang.com to notify members of the date, time and place of the rescheduled meeting.