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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Daisho Microline Holdings Limited** (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **DAISHO MICROLINE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0567)**

**PROPOSALS FOR  
GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING FOR 2020**

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A notice convening an annual general meeting for 2020 of Daisho Microline Holdings Limited to be held at Room 204, 2/F., Valley Centre, 80-82 Morrison Hill Road, Causeway Bay, Hong Kong on Friday, 28 August 2020 at 10 a.m. is set out on pages 13 to 17 of this circular. Whether or not you are able to attend the annual general meeting for 2020, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting for 2020 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting for 2020 or any adjournment thereof, should you so wish.

This circular together with the form of proxy are also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.irasia.com/listco/hk/daisho](http://www.irasia.com/listco/hk/daisho)).

30 July 2020

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## DEFINITIONS

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

“2020 AGM”	the annual general meeting for 2020 of the Company to be held at Room 204, 2/F., Valley Centre, 80-82 Morrison Hill Road, Causeway Bay, Hong Kong, on Friday, 28 August 2020 at 10 a.m., notice of which is set out on pages 13 to 17 of this circular, or any adjournment thereof
“Board”	the board of Directors of the Company
“Bye-Law(s)”	bye-law(s) of the Company currently in force
“Company”	Daisho Microline Holdings Limited, a limited liability company incorporated in Bermuda, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0567)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of 2020 AGM
“Latest Practicable Date”	23 July 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of 2019 AGM

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time
“%”	per cent.

## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) and the recent development of the epidemic caused by novel coronavirus pneumonia (“COVID-19”), the Company will implement the following precautionary measures at the 2020 AGM to ensure the health and safety of the Shareholders and other participants who will attend the 2020 AGM:

- (i) compulsory body temperature check will be conducted for every attendee at the entrance of the venue. Any person with a body temperature of over 37.3 degree Celsius will not be admitted to the Venue;
- (ii) each attendee is required to wear a surgical mask at any time within the venue. Please note that no surgical mask will be provided at the Venue and attendees should bring and wear their own masks;
- (iii) seats at the venue will be arranged in such a manner so as to allow appropriate social distancing. As a result, there will be limited capacity for Shareholders. The Company may limit the number of attendees at the 2020 AGM as may be necessary to avoid overcrowding;
- (iv) any person who (a) has travelled outside Hong Kong within 14 days immediately before the 2020 AGM (“Recent Travel History”); (b) is subject to quarantine or self-quarantine in relation to COVID-19; or (c) has close contact with any person under quarantine or with Recent Travel History shall not attend the 2020 AGM;
- (v) any attendee who does not comply with the abovementioned measures will not be admitted to the Venue; and
- (vi) no refreshments, corporate gifts or souvenirs will be served or distributed at the 2020 AGM.

The Company reminds the attendees that they should carefully consider the risks of attending the 2020 AGM, taking into account their own personal circumstances. Furthermore, the Company would like to remind Shareholders that physical attendance in person at the 2020 AGM is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the chairman of the 2020 AGM as their proxy and submit their form of proxy as early as possible. The form of proxy can be downloaded from the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.irasia.com/listco/hk/daisho](http://www.irasia.com/listco/hk/daisho)). In order to be valid, a form of proxy and the power of attorney (if any) or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company’s Hong Kong share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting, or any adjourned meeting thereof.

Subject to the development of the COVID-19 situation, the Company may implement further precautionary measures in respect of the 2020 AGM, and may issue further announcement(s) on such measures as and when appropriate. Shareholders are advised to check the Company’s website for further announcements and updates on the meeting arrangements that may be issued.



## DAISHO MICROLINE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0567)**

*Executive Directors:*

Cheung Lai Ming (*Chairman*)

Lee Man Kwong

*Independent Non-Executive Directors:*

Leung King Fai

Chou Yuk Yan

Chan Yau Ching, Bob

*Registered Office:*

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

*Head Office and Principal*

*Place of Business:*

Unit A, 10/F.

Fook Hing Industrial Building

33 Lee Chung Street

Chai Wan, Hong Kong

30 July 2020

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR  
GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING FOR 2020**

### INTRODUCTION

The purpose of this circular is to provide you with the information regarding certain resolutions to be proposed at the 2020 AGM including (i) the granting of general mandates to the Directors to issue Shares and to repurchase Shares; and (ii) the re-election of Directors; and to provide you with the notice of the 2020 AGM.

## LETTER FROM THE BOARD

### PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 30 August 2019, ordinary resolutions were passed by the Shareholders to grant general mandates to the Directors to issue and repurchase Shares respectively. Such mandates will lapse at the conclusion of the 2020 AGM. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the 2020 AGM to approve:

1. the granting of the Issue Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of 2020 AGM (i.e. a total of 115,248,757 Shares on the basis that no further Shares are issued or repurchased before the 2020 AGM);
2. the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of 2020 AGM (i.e. a total of 57,624,378 Shares on the basis that no further Shares are issued or repurchased before the 2020 AGM); and
3. extension of the Issue Mandate by adding the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

An explanatory statement as required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix I to this circular.

### PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 99 of the Bye-Laws, Mr. Lee Man Kwong and Mr. Leung King Fai shall retire at the 2020 AGM.

Mr. Leung King Fai, Mr. Chou Yuk Yan and Dr. Chan Yau Ching, Bob, independent non-executive Directors of the Company, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid independent non-executive Director who are due to retire at the 2020 AGM. The

## LETTER FROM THE BOARD

Company considers that the retiring independent non-executive Director is independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

The biographical details of the above Directors proposed for re-election at the 2020 AGM are set out in Appendix II to this circular.

### **2020 AGM AND PROXY ARRANGEMENT**

The notice convening the 2020 AGM to be held at Room 204, 2/F., Valley Centre, 80-82 Morrison Hill Road, Causeway Bay, Hong Kong, on Friday, 28 August 2020 at 10 a.m. is set out on pages 13 to 17 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, each of the resolutions proposed at the 2020 AGM shall be voted by way of a poll.

An announcement on the poll results will be published by the Company after the 2020 AGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the 2020 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.irasia.com/listco/hk/daisho](http://www.irasia.com/listco/hk/daisho)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the 2020 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2020 AGM if you so wish.

### **TYPHOON OR BLACK RAINSTORM WARNING ARRANGEMENTS**

If typhoon signal No. 8 or above, or a black rainstorm warning is in effect at 8:00 a.m. on the date of the 2020 AGM, the meeting will be postponed to a later date. The Company will as soon as practicable post an announcement on its website ([www.irasia.com/listco/hk/daisho](http://www.irasia.com/listco/hk/daisho)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify Shareholders of the date, time and place of the rescheduled meeting.

## LETTER FROM THE BOARD

### RECOMMENDATION

There is no Shareholder who is required to abstain from voting in respect of any of the resolutions set out in the notice of 2020 AGM.

The Board is of the opinion that the proposed granting of the general mandates to the Directors to issue Shares and to repurchase Shares and the re-election of Directors are in the best interests of the Company and the Shareholders as a whole and therefore recommends the Shareholders to vote in favour of all the resolutions to be proposed at the 2020 AGM.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Cheung Lai Ming**  
*Chairman*

The following serves as an explanatory statement in compliance with the Listing Rules to give requisite information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the granting of the Repurchase Mandate.

#### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$57,624,378.5 comprising 576,243,785 Shares.

Subject to the passing of the relevant ordinary resolution to approve the granting of the Repurchase Mandate (as set out in item 6 of the notice of the 2020 AGM) and on the basis that no further Shares are issued or repurchased prior to the 2020 AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company up to a maximum of 57,624,378 Shares, representing 10% of the total number of issued Shares as at the date of the 2020 AGM during the period in which the Repurchase Mandate remains in force.

#### **2. REASONS FOR REPURCHASES**

The Directors have no present intention to repurchase any Shares but consider that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

#### **3. IMPACT OF REPURCHASES**

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 March 2020 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **4. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds which are legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

**5. MARKET PRICES**

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2019</b>		
July	0.250	0.205
August	0.245	0.199
September	0.238	0.161
October	0.183	0.133
November	0.145	0.123
December	0.130	0.106
<b>2020</b>		
January	0.145	0.090
February	0.106	0.078
March	0.160	0.072
April	0.175	0.100
May	0.210	0.116
June	0.260	0.203
July (up to the Latest Practicable Date)	0.194	0.155

**6. GENERAL**

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

No core connected person, as defined in the Listing Rules, has notified the Company that he/she has a present intention to sell any Shares to the Company, nor has he/she undertaken not to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by Shareholders.

**7. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Bermuda and Memorandum of Association and Bye-Laws of the Company.

**8. EFFECT OF TAKEOVERS CODE**

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

As at the Latest Practicable Date, to the best knowledge of the Company, Mr. Cheung Ling Mun was beneficially interested in 120,068,000 Shares representing approximately 20.84% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full, the interest of Mr. Cheung Ling Mun in the Company would be increased to approximately 23.15% of the issued share capital of the Company. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose or intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, result in the aggregate number of Shares held by the public falling below the prescribed minimum percentage required by the Stock Exchange.

**9. SHARES REPURCHASES MADE BY THE COMPANY**

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

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

*The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the 2020 AGM:*

- (1) **Mr. Lee Man Kwong**, aged 65, has been redesignated as an executive director since 1 June 2018. He was appointed as an independent non-executive director on 14 December 2016 and re-designated as a non-executive director on 1 March 2017. Mr. Lee is also a director of various subsidiaries of the Company. He was admitted as a solicitor in Hong Kong in 1983, and is also a solicitor qualified in England and Wales and Singapore. Mr. Lee is the senior partner of Messrs. Chan, Lau & Wai, Solicitors, a Hong Kong law firm established in 1980. Mr. Lee was an executive director of CCT Fortis Holdings Limited (stock code: 138) from 1996 to 1997, an independent non-executive director of Mei Ah Entertainment Group Limited (stock code: 391) from 1993 to 2003, an independent non-executive director of Uni-Bio Science Group Limited (stock code: 690) from 2001 to 2005, an independent non-executive director of Asia Standard Hotel Group Limited (stock code: 292) from 2000 to 2003, the chairman and executive director of Neo Telemedia Limited (stock code: 8167) from 2004 to 2007, and an executive director of Sau San Tong Holdings Limited (stock code: 8200) from 2006 to 2008.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Lee has personal interest in 4,800,000 underlying Shares in respect of the share options granted by the Company under the share option scheme.

Save as disclosed above, Mr. Lee (i) has not held any other positions in the Company or other members of the Group; (ii) is not related to any other director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Mr. Lee that needs to be brought to the attention of the Shareholders nor is Mr. Lee involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

- (2) **Mr. Leung King Fai**, aged 48, has been an independent non-executive director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company since 9 June 2015. He has been appointed as the chairman of the Audit Committee of the Company with effect from 2 April 2016 and the chairman of the Remuneration Committee of the Company with effect from 12 December 2016. Mr. Leung graduated from the Deakin University with a Bachelor degree in Commerce in 1996. He is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and Chartered Institute of Management Accountants. He has over 21 years of experience in accounting, audit and finance.

Mr. Leung is currently an executive director of Chineseinvestors.com Inc. ("Chineseinvestors.com Inc.") (stock code: CIIX), a company listed on the OTCQB of United States since 1 March 2019. He was an independent director of Chineseinvestors.com Inc. from November 2017 to February 2019. He is also an independent director of Planet Green Holdings Corp. (stock code: PLAG), a company listed on New York Stock Exchange (NYSE) since 1 July 2019. Mr. Leung was an executive director of Kirin Group Holdings Limited (stock code: 8109), a company listed on GEM of the Stock Exchange, from February 2015 to February 2019. He was also an independent director of Biostar Pharmaceuticals Inc. (stock code: BSPM), a company listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) Stock Market, from April 2011 to December 2017.

As at the Latest Practicable Date, Mr. Leung was not interested or deemed to be interested in the Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Leung (i) has not held any other positions in the Company or other members of the Group; (ii) is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Mr. Leung that needs to be brought to the attention of the Shareholders nor is Mr. Leung involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would consider to enhance its diversity with different expertise when re-electing an independent non-executive Director. Mr. Leung has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. He has various experience in accounting, audit and finance. The Board considers Mr. Leung is independent and can bring further contribution to the Board and its diversity.



## DAISHO MICROLINE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0567)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Daisho Microline Holdings Limited (the “Company”) will be held at Room 204, 2/F., Valley Centre, 80-82 Morrison Hill Road, Causeway Bay, Hong Kong on Friday, 28 August 2020 at 10 a.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and independent auditor for the year ended 31 March 2020.
2. (a) To re-elect Mr. Lee Man Kwong as an executive director of the Company.  
(b) To re-elect Mr. Leung King Fai as an independent non-executive director of the Company.
3. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
4. To re-appoint Mazars CPA Limited as the independent auditor of the Company and to authorise the board of directors of the Company to fix its remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors 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 might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

## NOTICE OF ANNUAL GENERAL MEETING FOR 2020

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

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

## NOTICE OF ANNUAL GENERAL MEETING FOR 2020

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

**“THAT:**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

**NOTICE OF ANNUAL GENERAL MEETING FOR 2020**

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

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 6 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

For and on behalf of the Board  
**Cheung Lai Ming**  
*Chairman*

Hong Kong, 30 July 2020

## NOTICE OF ANNUAL GENERAL MEETING FOR 2020

*Notes:*

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In light of the pandemic situation of Novel Coronavirus (COVID-19), member may consider appointing the chairman of the annual general meeting ("AGM") as his/her proxy to vote on the resolutions instead of attending AGM in person. There will be no corporate gift or refreshment in the AGM in order to reduce person-to-person contact. Shareholders attending the AGM in person are required to wear surgical face mask at any time within the venue and to undertake a body temperature check before they enter the AGM venue. Any person who does not comply with the precautionary measures to be taken at the AGM will be denied entry into the AGM venue. For the details of precautionary measures for the AGM, please refer to the circular of the Company dated 30 July 2020. Attendees are requested to observe and practise good personal hygiene at all times at the AGM venue.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The record date for determining the entitlement to attend and vote at the AGM will be Monday, 24 August 2020. In order to be eligible to attend and vote at the meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 August 2020.