

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other 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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# **Liu Chong Hing Investment Limited**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00194)**

## **RE-ELECTION OF DIRECTORS, GENERAL MANDATES FOR THE BUY-BACK AND ISSUE OF SHARES AND PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

A letter from the Chairman of Liu Chong Hing Investment Limited is set out on pages 3 to 8 of this circular. A notice convening the Annual General Meeting (“AGM”) of Liu Chong Hing Investment Limited to be held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Thursday, 20 May 2021 was enclosed within the Company’s 2020 Annual Report.

Whether you are able to attend the AGM or not, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon at least 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the AGM or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the AGM (or any adjournment of such meeting) and voting in person should you so desire.

### **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

Please see pages 7 to 8 of this circular for the precautionary measures to be implemented at the AGM to ensure the safety of the AGM attendees and to prevent the spreading of the Covid-19 pandemic, which include without limitation:

1. limiting the number of the AGM attendees to avoid over-crowding;
2. compulsory body temperature screening/checks;
3. mandatory wearing of face mask;
4. maintaining an appropriate social distancing between seats; and
5. no provision of gifts, food or beverages.

Any attendee who (a) refuses to comply with the precautionary measures; (b) is subject to any prescribed quarantine by the Government or has been in close contact with any person under quarantine; or (c) has any flu-like symptoms or is otherwise unwell will be denied entry into or be required to leave the AGM venue at the absolute discretion of the Company as permitted by law.

**In the interest of Shareholders’ health and safety, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. Shareholders are strongly encouraged to appoint the Chairman of the AGM as their proxy and to return their proxy forms by the time specified above, instead of attending the AGM in person.**

9 April 2021

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## DEFINITIONS

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

“AGM”	means the annual general meeting of the Company to be convened and held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Thursday, 20 May 2021;
“AGM Notice”	means the notice of the AGM set out on pages 120 to 124 of the Company’s 2020 Annual Report, for the Shareholders to consider, and if thought fit, to approve resolutions including but not limited to the general mandates to issue and buy back Shares;
“Articles of Association”	means the articles of association adopted by the Company, and as amended from time to time by resolution of the Shareholders;
“Board”	means the board of Directors or a duly authorised committee thereof;
“Buy-back Mandate”	means the proposed mandate to the Directors to buy back Shares pursuant to Ordinary Resolution No. 6 as set out in the AGM Notice in its present or any amended form;
“close associate”	shall have the meaning ascribed to it under the Listing Rules;
“Company”	means Liu Chong Hing Investment Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
“Core Connected Persons”	shall have the meaning ascribed to it under the Listing Rules;
“Directors”	means the directors (including Non-executive Director and Independent Non-executive Directors) of the Company;
“Group”	means the Company and its Subsidiaries for the time being;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	means 25 March 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	means Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

## DEFINITIONS

“Ordinary Resolution(s)”	means the proposed ordinary resolution(s) as referred to in the AGM Notice;
“Share(s)”	means ordinary share(s) in the Company;
“Share Issue Mandate”	means the proposed mandate to the Directors to issue Shares pursuant to Ordinary Resolution No. 7 as set out in the AGM Notice in its present or any amended form;
“Shareholder(s)”	means holder(s) of Share(s);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a subsidiary within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the time being of the Company;
“Takeovers Code”	means The Codes on Takeovers and Mergers and Share Buy-backs;
”HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	means per cent.



# Liu Chong Hing Investment Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 00194)

*Executive Directors:*

Mr. Liu Lit Chi (*Chairman, Managing Director and Chief Executive Officer*)  
Mr. Liu Kam Fai, Winston (*Deputy Managing Director*)  
Mr. Lee Wai Hung

*Registered Office:*

23/F, Chong Hing Bank Centre,  
24 Des Voeux Road Central,  
Hong Kong

*Non-executive Director:*

Mr. Kho Eng Tjoan, Christopher BES, M. Arch, HKIA, RIBA,  
ARAI, MRAIC, Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

*Independent Non-executive Directors:*

Dr. Cheng Mo Chi, Moses, GBM, GBS, OBE, LLB (HK), J.P.  
Mr. Au Kam Yuen, Arthur  
Dr. Ma Hung Ming, John, PhD, BBS, J.P.  
Mr. Cheng Yuk Wo, MSc (Econ), BA (Hons), CPA (Canada), CA,  
FCA, FCPA, CPA (Practising)  
Mr. Tong Tsun Sum, Eric, CA (Aust), CPA (Practising), CFE

Hong Kong, 9 April 2021

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES FOR  
THE BUY-BACK AND ISSUE OF SHARES  
AND**

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the AGM, resolutions will be proposed:

- (a) that certain Directors, who shall retire in accordance with the Articles of Association and (being eligible) offer themselves for re-election, be re-elected as Directors of the Company; and

## LETTER FROM THE CHAIRMAN

(b) that the Directors be given the Buy-back Mandate and Share Issue Mandate.

The purpose of this circular is to provide you with the information necessary to enable you as Shareholders to make an informed decision on whether to vote for and/or against the proposed resolutions relating to such matters at the AGM.

### RE-ELECTION OF DIRECTORS

The Board currently consists of 9 members, namely:

the following Executive Directors:

- (a) Mr. Liu Lit Chi (*Chairman, Managing Director and Chief Executive Officer*)
- (b) Mr. Liu Kam Fai, Winston (*Deputy Managing Director*)
- (c) Mr. Lee Wai Hung

the following Non-executive Director:

- (d) Mr. Kho Eng Tjoan, Christopher

and the following Independent Non-executive Directors:

- (e) Dr. Cheng Mo Chi, Moses
- (f) Mr. Au Kam Yuen, Arthur
- (g) Dr. Ma Hung Ming, John
- (h) Mr. Cheng Yuk Wo
- (i) Mr. Tong Tsun Sum, Eric

In accordance with Articles 105 & 106 of the Articles of Association, Mr. Liu Kam Fai, Winston, Mr. Lee Wai Hung, Dr. Cheng Mo Chi, Moses and Mr. Tong Tsun Sum, Eric shall retire at the conclusion of the AGM and, being eligible, will offer themselves for re-election.

Biographical and other details of the above retiring and re-electing Directors are set out in Appendix 1 to this circular. At the AGM, separate Ordinary Resolutions will be proposed to approve their re-election.

## LETTER FROM THE CHAIRMAN

### GENERAL MANDATE TO BUY-BACK SHARES

At the annual general meeting of the Company held on 21 May 2020, a general mandate was granted to the Directors to exercise the powers of the Company to buy-back Shares not exceeding 10% of the aggregate number of issued shares of the Company as at the date of the passing of the resolution granting such general mandate (equivalent to 37,858,344 Shares). Such general mandate will lapse at the conclusion of the AGM.

To provide continued flexibility to the Directors, an Ordinary Resolution will be proposed at the AGM for the granting of the Buy-back Mandate to the Directors, on terms as set out in Ordinary Resolution No. 6 in the AGM Notice, allowing them to exercise all powers of the Company to buy back its Shares. Under the Buy-back Mandate, the number of Shares that the Company may buy back shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of passing such Ordinary Resolution.

In connection with the Buy-back Mandate, the Company's authority shall be restricted to buy back made on the Stock Exchange. The Buy-back Mandate allows the Company to make buy-backs only during the period ending on the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the date by which the Company's next annual general meeting is required by any applicable law or the Articles of Association to be held, or (iii) the date upon which such mandate is revoked or varied by an ordinary resolution of shareholders of the Company in general meeting.

An explanatory statement setting out the requisite information regarding the Buy-back Mandate, as required under the Listing Rules, is set out in Appendix 2 to this circular.

### GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 21 May 2020, a general mandate was granted to the Directors to exercise the powers of the Company to issue, allot and deal with such number of Shares not exceeding 20% of the aggregate number of the issued shares of the Company as at the date of the passing of the resolution granting such general mandate (equivalent to 75,716,688 Shares), and such general mandate was extended by adding to it the aggregate number of Shares bought back by the Company under the general mandate to buy back Shares granted to the Directors on the same date. Such general mandate to issue, allot and deal with Shares will also lapse at the conclusion of the AGM.

To provide continued flexibility to the Directors, an Ordinary Resolution will also be proposed at the AGM for the granting of the Share Issue Mandate to the Directors, on terms as set out in Ordinary Resolution No. 7 in the AGM Notice, allowing them to exercise all powers of the Company to issue, allot and deal with its Shares. Under the Share Issue Mandate, the number of Shares that the Company may issue, allot or deal with shall not exceed 20% of the aggregate number of issued shares of the Company as at the date of passing such Ordinary Resolution.

In addition, an Ordinary Resolution will also be proposed at the AGM to extend the Share Issue Mandate, on terms as set out in Ordinary Resolution No. 8 in the AGM Notice, by adding to it the number of Shares that may be bought back under the Buy-back Mandate.

## LETTER FROM THE CHAIRMAN

In connection with the Share Issue Mandate, the exercise of the Company's authority shall also be restricted to the period ending on the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the date by which the Company's next annual general meeting is required by any applicable law or the Articles of Association to be held, or (iii) the date upon which such mandate is revoked or varied by an ordinary resolution of shareholders of the Company in general meeting.

As at the Latest Practicable Date, the issued share capital of the Company comprised 378,583,440 Shares in issue. As at the same date, no options to subscribe for Shares had been granted and were outstanding under the Company's share option scheme adopted on 9 May 2012. Subject to the passing of Ordinary Resolution No. 7 set out in the AGM Notice and on the basis that no further Shares are issued or bought back between the Latest Practicable Date and up to the date of the AGM, the Company would be allowed under the Share Issue Mandate to issue, allot and deal with a maximum of 75,716,688 Shares.

### **ANNUAL GENERAL MEETING**

The AGM Notice setting out, inter alia, the Ordinary Resolutions to grant the Buy-back Mandate, the Share Issue Mandate and the proposed extension of the Share Issue Mandate is enclosed within the Company's 2020 Annual Report. Shareholders are advised to read the AGM Notice and to complete and return the form of proxy which can be downloaded from the website of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.lchi.com.hk](http://www.lchi.com.hk)) for use at the AGM in accordance with the instructions printed thereon and deposit the same with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting. The return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM should he/she so wishes.

### **VOTING AT ANNUAL GENERAL MEETING**

In accordance with the relevant requirements under the Listing Rules, the Chairman would direct that each of the resolutions set out in the AGM Notice be voted on by poll.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution at the AGM.

### **RECOMMENDATION**

The Directors believe that the re-election of the relevant Directors, the granting of the Buy-back Mandate, the Share Issue Mandate and the proposed extension of Share Issue Mandate are in the interests of the Company as well as its Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of all the resolutions at the AGM.

## LETTER FROM THE CHAIRMAN

### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To ensure the safety of the AGM attendees and to prevent the spreading of the Covid-19 pandemic, the following precautionary measures will be implemented at the AGM.

#### LIMITING ATTENDANCE IN PERSON AT THE AGM VENUE

As at the Latest Practicable Date, under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation 2020 (Chapter 599G of the Laws of Hong Kong), group gatherings of more than 20 persons for a shareholders' meeting are required to be accommodated in separate partitioned rooms or areas of not more than 20 persons each ("Requirement").

The Company will limit attendance in person at the AGM venue in compliance with the Requirement prevailing at the time of the AGM. **Given the limited capacity of the AGM venue and the requirements for social distancing to ensure attendee safety, only Shareholders and/or their representatives and relevant AGM staff will be admitted to the AGM. Admission to the AGM venue will not be granted in excess of the capacity of the AGM venue.**

#### HEALTH AND SAFETY MEASURES AT THE AGM

The following measures will also be implemented at the AGM:

1. Compulsory body temperature screening/checks will be conducted on every attendee at the main entrance of the AGM venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the AGM venue;
2. Seating at the AGM venue will be arranged so as to allow for appropriate social distancing;
3. Every attendee is required to wear a face mask at any time within the AGM venue;
4. No gifts, food or beverages will be provided at the AGM; and
5. Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Government and/or regulatory authorities, or as considered appropriate in light of the development of the Covid-19 pandemic.

Any attendee who (a) refuses to comply with the precautionary measures; (b) is subject to any prescribed quarantine by the Government or has been in close contact with any person under quarantine; or (c) has any flu-like symptoms or is otherwise unwell will be denied entry into or be required to leave the AGM venue at the absolute discretion of the Company as permitted by law.

**Shareholders are requested (a) to consider carefully the risk of attending the AGM, which will be held in an enclosed environment, (b) to follow any prevailing requirements or guidelines of the Government relating to Covid-19 in deciding whether or not to attend**

## LETTER FROM THE CHAIRMAN

**the AGM; and (c) not to attend the AGM if they have contracted or are suspected to have contracted Covid-19 or have been in close contact with anybody who has contracted or is suspected to have contracted Covid-19.**

### **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.

By order of the Board  
Liu Chong Hing Investment Limited  
LIU LIT CHI  
*Chairman*

Biographical and other details about the retiring directors who are proposed to be re-elected at the 2021 AGM are as follows:

**Mr. Liu Kam Fai, Winston**, aged 54, was appointed an Executive Director of the Company since 1997. He was re-designated as the Deputy Managing Director of the Company in August 2008 and is also serving as the chairman of Corporate Governance Committee (was appointed on 30 October 2020), and a member of the Executive Management Committee of the Company. Mr. Liu holds a Master degree in Economics from the University of London, specializing in Finance and Macro Economic Policy. Mr. Liu oversees the Company's strategic development, project implementation, as well as all aspects of business operations. He is the nephew of Mr. Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer of the Company), as well as a member of the Liu's family, some of whose members are directors, senior management or substantial or controlling shareholders of the Company.

Mr. Liu did not hold any directorship in any other public listed company in the last three years apart from his directorship in the Company. Besides, Mr. Liu is a director of the following subsidiaries of the Company, including Abaleen Enterprises Limited; Alain Limited; Blossom Success Investments Limited; Bonsun Enterprises Limited; Bright Ocean Limited; China Link Technologies Limited; Chong Yip (Nominees) Limited; Chong Yip Finance Limited; Crown Mate Limited; Determined Resources Limited; Devon Realty Limited, Dolce Vita Concepts Holdings Limited; Donington Company Limited; Eagle Genesis Investments Limited; Easy Choice Investments Limited; Fancy Wealth Limited; Fortune Plus Investments Limited; Full Winner Corporation Limited; Glorious Prosperity Development Limited; Golden Harbour International Limited; Golden Infinity Limited; Good Sunshine Group Limited; Great Earnest Limited; Harvest Gate Investments Limited; Harvest Mega Corporation Limited; Heng Kin Investment Limited; High Yield Investments Limited; Honour Speed Development Limited; Hospitality Concepts Holdings Limited; Hugh Glory Limited; Hugh Wealth International Limited; Jacot Limited; Joyce King Limited; Ko Yew Company Limited; Liu Chong Hing Estate Company, Limited; Liu Chong Hing Godown Company, Limited; Liu Chong Hing Property Management & Agency Limited; Long Castle Limited; Long Supreme Investments Limited; Lord Duty Limited; Luxpolar Limited; Noble Shine International Limited; One Eight One Lobby Cafe Limited; One-Eight-One Hospitality Management Limited; Premium Access International Limited; Queen Profit International Investment Limited; Rainbow Colour Development Limited; Rich Sources Investments Limited; Richview Property Management Company Limited; Road To Glory Group Limited; Royal Best Investments Limited; Sino Pink Development Limited; Sky Rock International Limited; Speed World Investment Limited; Strong Zone International Limited; Supreme King International Limited; Supreme Stone Investments Limited; The Light F&B Concepts Limited; Top New Investment Limited; Top Team Limited; Trade Castle Limited; Trend Able Investments Limited; Truegrow Investments Limited; Wealth Bond Limited; Wealth Good Investment Limited; Well Road Investment Limited; Yue Tung Ching Kee Company Limited; 上海黃浦廖創興房地產開發有限公司, 佛山市軒隆房地產開發有限公司, 佛山南海貴隆房地產發展有限公司, 佛山南海凱隆房地產開發有限公司, 馬鞍山高科磁性材料有限公司, 廣州市創鑫酒店酒店管理有限公司, 廣州市貿滿房地產諮詢有限公司, 廣州市盈裕物業管理有限公司, 廣州市裕利物業管理有限公司, and 廣東安盛信息科技有限公司.

Other than that mentioned above, Mr. Liu does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Liu is interested in 2,756,867 shares in the Company (amounting 0.73% of its existing issued and fully paid share capital) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Liu has entered into a director's service contract with the Company for a term commencing on 15 May 2018 and will hold office until the next following AGM of the Company. Mr. Liu will be subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles of Association of the Company.

Pursuant to his employment contract, Mr. Liu is currently entitled to receive by way of annual remuneration and other benefits of approximately HK\$6,324,452. Besides, he also received a director's fee of HK\$200,000 per year from the Company. Such Director's fee is determined by the Board with reference to Mr. Liu's duties and responsibilities, and is in line with Director's fees payable to other Executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Lee Wai Hung**, aged 58, is an Executive Director and Company Secretary of the Company. Mr. Lee is also serving as a member of Corporate Governance Committee and Executive Management Committee of the Company. Mr. Lee holds a Bachelor of Law degree, a Master of Business Administration degree and Postgraduate Diploma in Construction and Real Estate. He is also a fellow member of the Hong Kong Institute of Certified Public Accountants (Practising) and a fellow member of the Association of Chartered Certified Accountants. Before joining the Company, Mr. Lee had worked in an international accounting firm for over six years. Mr. Lee has over thirty years of experience in corporate finance and accounting. Mr. Lee joined the Company in 1992 and was appointed as Director in 1994. Mr. Lee is primarily responsible for the Company's finance and secretarial matters.

Mr. Lee did not hold any directorship in any other public listed company in the last three years apart from his directorship in the Company. Besides, Mr. Lee is a director of the following subsidiaries of the Company, including Abaleen Enterprises Limited; Alain Limited; Blossom Success Investments Limited; Bonsun Enterprises Limited; Bright Ocean Limited; China Link Technologies Limited; Chong Yip Finance Limited; Chong Yip (Nominees) Limited; Crown Mate Limited ; Determined Resources Limited; Devon Realty Limited, Dolce Vita Concepts Holdings Limited; Donington Company Limited; Eagle Genesis Investments Limited; Easy Choice Investments Limited; Fancy Wealth Limited; Fortune Plus Investments Limited; Full Winner Corporation Limited; Glorious Prosperity Development Limited; Golden Harbour International Limited; Golden Infinity Limited; Good Sunshine Group Limited; Great Earnest Limited; Harvest Gate Investments Limited; Harvest Mega Corporation Limited; Heng Kin Investment Limited; High Yield Investments Limited; Honour Speed Development Limited; Hospitality Concepts Holdings Limited; Hugh Glory Limited; Hugh Wealth International Limited; Jacot Limited; Joyce King Limited; Ko Yew Company Limited; Liu Chong Hing Estate Company, Limited; Liu Chong Hing Godown Company, Limited; Liu

Chong Hing Property Management & Agency Limited; Long Castle Limited; Long Supreme Investments Limited; Lord Duty Limited; Luxpolar Limited; Noble Shine International Limited; One Eight One Lobby Cafe Limited; One-Eight-One Hospitality Management Limited; Premium Access International Limited; Queen Profit International Investment Limited; Rainbow Colour Development Limited; Richview Property Management Company Limited; Rich Sources Investments Limited; Road To Glory Group Limited; Royal Best Investments Limited; Sino Pink Development Limited; Sky Rock International Limited; Speed World Investment Limited; Strong Zone International Limited; Supreme King International Limited; Supreme Stone Investments Limited; The Light F&B Concepts Limited; Top New Investment Limited; Top Team Limited; Trade Castle Limited; Trend Able Investments Limited; Truegrow Investments Limited; Wealth Bond Limited; Wealth Good Investment Limited; Well Road Investment Limited; Yue Tung Ching Kee Company Limited; 上海黃浦廖創興房地產開發有限公司, 佛山南海貴隆房地產發展有限公司, 佛山南海凱隆房地產開發有限公司, 佛山市軒隆房地產開發有限公司, 馬鞍山高科磁性材料有限公司, 廣州市創鑫酒店酒店管理有限公司, 廣州市貿滿房地產諮詢有限公司, 廣州市盈裕物業管理有限公司, 廣州市裕利物業管理有限公司, and 廣東安盛信息科技有限公司.

Other than that mentioned above, Mr. Lee does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee did not have any interest (nor any short position) in the securities and underlying securities in the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Lee has entered into a director's service contract with the Company for a term commencing on 15 May 2018 and will hold office until the next following AGM of the Company. Mr. Lee will be subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles of Association of the Company.

Pursuant to his employment contract, Mr. Lee received annual remuneration of approximately HK\$4,130,843 and as an Executive Director of the Company, he also received a director's fees of HK\$200,000 per year which is determined by the Board with reference to his duties and responsibilities, and is in line with Director's fees payable to other Executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

**Dr. Cheng Mo Chi, Moses**, aged 71, was appointed as an Independent Non-executive Director of the Company in August 1999 and he has served as chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Dr. Cheng is a practising solicitor and the Consultant of Messrs. P.C. Woo & Co. He is also serving as chairman of The Insurance Authority. Dr. Cheng was a member of the Legislative Council of Hong Kong. He is the Founder chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and chairman Emeritus. He was also the President of International Alliance of Practising Lawyers.

In addition to his directorship in the Company, Dr. Cheng currently holds directorships in China Mobile Limited, China Resources Beer (Holdings) Company Limited (formerly known as China Resources Enterprise, Limited), The Hong Kong and China Gas Company Limited, K. Wah International Holdings Limited, Guangdong Investment Limited, Tian An China Investments Company Limited and Towngas China Company Limited, all being public listed companies in Hong Kong. Dr. Cheng's other directorship in public listed companies in the last three years includes Kader Holdings Company Limited. Save as disclosed above, Dr. Cheng did not hold any directorship, whether in Hong Kong or overseas, in any other public listed companies in the last three years.

Other than that mentioned above, Dr. Cheng does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Cheng did not have any interest (nor any short position) in the securities and underlying securities in the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Dr. Cheng has entered into a director's service contract with the Company for a term commencing on 15 May 2018 and will hold office until the next following AGM of the Company. Dr. Cheng will be subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles of Association of the Company.

The nomination committee ("**Nomination Committee**") of the Board has recommended the re-election of Dr. Cheng to the Board, after reviewing the professional qualifications, skills, knowledge, relevant experience, working profile and other factors (including but not limited to gender, age, cultural and educational background as set out in the board diversity policy of the Company) of Dr. Cheng in accordance with the board diversity policy of the Company. The Nomination Committee also considered Dr. Cheng to be independent after assessing the independence of Dr. Cheng by reference to the independence guidelines as set out in Rule 3.13 of the Listing Rules and reviewing his annual written confirmation of independence. The Nomination Committee considered that Dr. Cheng will continue to bring to the Board independent and constructive advices with his extensive experience in legal, finance and corporate advisory services and it is believed that his directorship in the Company can continue to bring valuable contributions to the Board and its diversity.

As at the Latest Practicable Date, Dr. Cheng has served as an Independent Non-executive Director for more than 9 years. The Board is satisfied that Dr. Cheng has the required character, integrity, perspectives, skills and experience and the Board considers that the continuous appointment of Dr. Cheng as Independent Non-executive Director would not affect his exercise of independent judgment and will help maintain the stability of the Board. Dr. Cheng is currently holding more than seven listed company directorship. Dr. Cheng is not involved in the day-to-day operations and management of the business in all such positions. Dr. Cheng has annually disclosed to the Company the number and nature of offices held in public companies and other significant commitments with time involved. As a competent professional, he manages his time well and has sound knowledge and skills to effectively handle those positions. The Board considers that Dr. Cheng is able to devote sufficient time to his duties as a member of the Board. He can continuously fulfill his role as an Independent

Non-executive Director of the Company effectively. The Board believes that the re-election of Dr. Cheng as an Independent Non-executive Director will be in the best interests of the Company and Shareholders as a whole.

As an Independent Non-executive Director of the Company, Dr. Cheng received a Director's fee of HK\$300,000 per year which is determined by the Board with reference to his duties and responsibilities, and is in line with that payable to other Independent Non-executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Tong Tsun Sum, Eric**, aged 50, was appointed as an Independent Non-executive Director and a member of the audit and the nomination committee of the Company in March 2018. He obtained a Bachelor of Economics from University of Sydney, Australia, a Master of Commerce in Professional Accounting from Macquarie University, Australia. He is a member of CPA Australia, Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants Australia and New Zealand. He is also a member of The Institute of Chartered Secretaries and Administrators, the Governance Institute of Australia and the Association of Certified Fraud Examiners.

Mr. Tong did not hold any directorship in any other public listed company in the last three years apart from his directorship in the Company. Other than that mentioned above, Mr. Tong does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Tong did not have any interest (nor any short position) in the securities and underlying securities in the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Tong has entered into a director's service contract with the Company for a term commencing on 15 May 2018 and will hold office until the next following AGM of the Company. Mr. Tong will be subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles of Association of the Company.

The Nomination Committee of the Board has recommended the re-election of Mr. Tong to the Board, after reviewing the professional qualifications, skills, knowledge, relevant experience, working profile and other factors (including but not limited to gender, age, cultural and educational background as set out in the board diversity policy of the Company) of Mr. Tong in accordance with the board diversity policy of the Company. The Nomination Committee also considered Mr. Tong to be independent after assessing the independence of Mr. Tong by reference to the independence guidelines as set out in Rule 3.13 of the Listing Rules and reviewing his annual written confirmation of independence. The Nomination Committee considered that Mr. Tong will continue to bring to the Board independent and constructive advices with his extensive experience in accounting, finance and corporate advisory services and it is believed that his directorship in the Company can continue to bring valuable contributions to the Board and its diversity.

As an Independent Non-executive Director of the Company, Mr. Tong received a Director's fee of HK\$300,000 per year which is determined by the Board with reference to his duties and responsibilities, and is in line with that payable to other Independent Non-executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to Shareholders for their consideration of the Buy-back Mandate. For this purpose, “shares” is defined in the Listing Rules to include securities carrying a right to subscribe for or purchase shares.

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

### **1. REASONS FOR BUY-BACK**

The Directors believe that the ability to buy back Shares is in the interests of the Company and its Shareholders. Buy-backs may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The number of Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

### **2. SOURCE OF FUNDS**

Buy-backs must be made out of funds which are legally available for such purpose and in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Articles of Association. It is envisaged that the funds required for any buy-back would be derived from the distributable profits of the Company which shall be funds legally available for such purpose in accordance with the Listing Rules and the laws of Hong Kong.

### **3. IMPACT OF BUY-BACKS ON WORKING CAPITAL**

There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts for the year ended 31 December 2019) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general 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. MAXIMUM NUMBER OF SHARES TO BE BOUGHT BACK AND SUBSEQUENT ISSUE**

A maximum of 10% of the total number of issued shares of a company at the date of passing the relevant resolution may be bought back on the Stock Exchange. A company may not, without the prior approval of the Stock Exchange, issue new shares or announce a proposed new issue of shares for a period of 30 days immediately following a share buy-back whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities, which were outstanding prior to the buy-back).

As at the Latest Practicable Date, the issued share capital of the Company comprised 378,583,440 Shares in issue. As at the same date, no options to subscribe for Shares had been granted and were outstanding under the Company's share option scheme adopted on 9 May 2012. Subject to the passing of Ordinary Resolution No. 6 set out in the AGM Notice and on the basis that no further Shares are issued or bought back between the Latest Practicable Date and up to the date of the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 37,858,344 Shares.

## 5. CONNECTED PARTIES

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 Buy-back Mandate is approved by the Shareholders.

## 6. SHARE PRICES

The highest and lowest unit prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
March 2020	9.320	6.800
April 2020	8.120	7.550
May 2020	8.050	6.700
June 2020	7.760	6.730
July 2020	7.250	6.520
August 2020	7.040	6.500
September 2020	6.640	6.250
October 2020	6.910	6.160
November 2020	6.950	6.230
December 2020	7.500	6.790
January 2021	7.300	7.050
February 2021	7.900	7.060
1 March 2021 to Latest Practicable Date	7.660	7.200

## 7. SHARE BUY-BACK MADE BY THE COMPANY

No buy-back has been made by the Company of its shares in the last six months prior to the date of this circular.

## 8. UNDERTAKING OF 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 make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the applicable laws of Hong Kong and the Articles of Association.

## 9. EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to buy back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert may obtain or consolidate control of the Company and thereby become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Liu Lit Chi, Chairman, Managing Director and Chief Executive Officer of the Company, and his controlled companies, namely, Liu's Holdings Limited and Alba Holdings Limited which are acting in concert together hold approximately 53.88% of the issued share capital of the Company. In the event that the Buy-back Mandate is exercised in full, assuming that the present shareholdings and capital structure of the Company remains the same, the interest in the Company held by Mr. Liu Lit Chi, Liu's Holdings Limited and Alba Holdings Limited, both being controlled corporations of Mr. Liu Lit Chi, would be increased to approximately 59.86% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequence which will arise under the Takeovers Code as a result of any repurchase of Shares under the Buy-back Mandate.

Currently, the Directors have no intention to exercise the powers of the Company to make any buy-backs of the Shares of the Company. In any event, the Directors do not intend to exercise the Buy-back Mandate to an extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeovers Code or which will reduce the aggregate amount of the share capital of the Company in public hands to below 25%.

## 10. DISCLOSURE OF INTEREST

No Director, and having made all reasonable enquiries and to the best of the knowledge of the Directors, no close associate of any Director, has any present intention, in the event that the Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company.