

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 securities dealer licensed under the Securities and Futures Ordinance, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in Chow Tai Fook Jewellery Group Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

NOTICE OF ANNUAL GENERAL MEETING AND PROPOSALS FOR (I) DECLARATION OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT (II) RE-ELECTION OF DIRECTORS (III) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES (IV) ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME (V) GENERAL AUTHORITY TO DECLARE AND PAY AN INTERIM DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The notice convening the AGM is set out on pages 7 to 13 of this circular.

Precautionary measures for the AGM: Please refer to page 1 of this circular for the measures to be taken at the AGM to prevent and control the spread of the COVID-19.

Whether you are able to attend the AGM or not, you are requested to complete and sign the accompanying proxy form in accordance with the instructions printed on it, and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the meeting or any adjourned meeting (as the case may be). Submission of a proxy form will not preclude you from attending and voting in person at the meeting (or any adjourned meeting thereof) should you so wish.

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PRECAUTIONARY MEASURES FOR THE AGM

The Company will implement the following measures at the AGM to prevent and control the spread of the COVID-19 and to safeguard the health and safety of the attending Shareholders, staff and other stakeholders of the Company:

- (1) Compulsory body temperature checks will be conducted for every attendee at the entrance of the AGM venue. Any person who has a body temperature of over 37.5 degrees Celsius or is subject to the mandatory quarantine order imposed by the Hong Kong government will be denied entry into or be required to leave the AGM venue.
- (2) Every attendee must sanitise his/her hands before entering the AGM venue.
- (3) Every attendee must wear a face mask throughout the AGM and inside the AGM venue. No mask will be provided at the AGM venue and attendees should bring and wear their own masks.
- (4) The Company will maintain a safe distance between seats. Attendees must follow the Company's instructions when taking a seat.
- (5) No refreshment and beverage will be provided.
- (6) No souvenir will be distributed.

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the AGM venue.

The Company would like to remind Shareholders that attendance in person at the AGM is not necessary for the purpose of exercising their voting rights. A Shareholder may elect to exercise his/her/its right to vote at the AGM by appointing a proxy (who may be the chairman of the AGM or any person of the Shareholder's choice) to vote on his/her/its behalf and returning the proxy form to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company so that it is received at least 48 hours before the time appointed for the AGM or any adjournment thereof (as the case may be). Please refer to Appendix IV to this circular for voting information.

Depending on the COVID-19 situation in Hong Kong, the Company reserves the right to change the AGM arrangements or take further measures as appropriate in order to minimise any risk to Shareholders and other participants attending the AGM. The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and its corporate website (www.ctfjewellerygroup.com) to notify shareholders of any revised arrangements whenever appropriate.

DEFINITIONS

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

"2021 Annual Report"	the annual report for the year ended 31 March 2021 of the Company
"Adoption Date"	being the date on which the New Share Option Scheme is conditionally approved and adopted by an ordinary resolution of the Shareholders at the AGM
"AGM"	the annual general meeting of the Company to be held at Meeting Room N201, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 28 July 2021 at 12:00 noon, or, where the context so admits, any adjournment thereof
"Articles of Association"	the articles of association of the Company, as amended and restated from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors of the Company
"Buy-back Mandate"	a general mandate proposed to be granted to the Directors at the AGM to buy back Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
"Cayman Companies Act"	the Companies Act (2021 Revision) as consolidated and revised of the Cayman Islands
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Chow Tai Fook Jewellery Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1929)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Existing Share Option Scheme"	the existing share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 17 November 2011

DEFINITIONS

"Grantee(s)"	any participant who accepts an offer of grant of an option 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 or the legal personal representative of such person
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Interim Dividend Authority"	a general authority proposed to be granted to the Directors at the AGM to declare and pay an interim dividend for the six months ending 30 September 2021 (the " Interim Period ") out of the amount standing to the credit of the Share Premium Account up to a maximum amount equivalent to the unaudited consolidated net profits of the Group recorded in respect of the Interim Period, details of which are set out in the proposed resolution numbered 9 of the notice of the AGM
"Issue Mandate"	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
"Latest Practicable Date"	8 June 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"New Share Option Scheme"	the share option scheme proposed to be approved and adopted at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of par value of HK\$1.00 each in the share capital of the Company

DEFINITIONS

"Share Premium Account"	the share premium account of the Company, the amount standing to the credit of which was approximately HK\$5,499 million as at 31 March 2021 based on the audited financial statements of the Company as at that date
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

References to time and dates in this circular are to Hong Kong time and dates.

CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

Executive Directors:

Dr. Cheng Kar-Shun, Henry (*Chairman*)
Mr. Wong Siu-Kee, Kent
Mr. Chan Sai-Cheong
Dr. Cheng Chi-Kong, Adrian
Mr. Cheng Chi-Heng, Conroy
Ms. Cheng Chi-Man, Sonia
Mr. Cheng Kam-Biu, Wilson
Mr. Cheng Ping-Hei, Hamilton
Mr. Suen Chi-Keung, Peter
Mr. Liu Chun-Wai, Bobby

Registered Office:

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

*Headquarters and principal place of
business in Hong Kong:*

33/F, New World Tower
16–18 Queen's Road Central
Hong Kong

Independent Non-executive Directors:

Dr. Fung Kwok-King, Victor
Dr. Or Ching-Fai, Raymond
Mr. Kwong Che-Keung, Gordon
Mr. Cheng Ming-Fun, Paul
Mr. Lam Kin-Fung, Jeffrey
Mr. Chia Pun-Kok, Herbert
Ms. Cheng Ka-Lai, Lily

16 June 2021

Dear Shareholders,

On behalf of the Board, it is my pleasure to invite you to the Company's annual general meeting to be held at Meeting Room N201, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 28 July 2021 at 12:00 noon. Registration will start at 11:30 a.m.

The notice of the AGM is set out on pages 7 to 13. Information regarding the business to be considered at the AGM is set out on pages 14 to 21. If you do not plan to attend the AGM yourself, you may appoint the chairman of the AGM or any person of your choice as your proxy to attend and vote on your behalf at the AGM.

The Board considers that the proposed resolutions as set out in the notice of the AGM are in the best interests of the Company and its Shareholders as a whole, and recommends you vote in favour of all the resolutions at the AGM.

LETTER FROM THE BOARD OF DIRECTORS

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.

Matters regarding Shareholders' rights to attend and vote at the AGM are set out in Appendix IV to this circular. If you have any question concerning the AGM, please contact the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at (852) 2980 1333.

Your participation at the AGM is welcome and my fellow Directors and I look forward to meeting you at the AGM.

Yours faithfully,
On behalf of the Board
Chow Tai Fook Jewellery Group Limited
Dr. Cheng Kar-Shun, Henry
Chairman

NOTICE OF ANNUAL GENERAL MEETING

CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

NOTICE IS HEREBY GIVEN THAT the annual general meeting of shareholders of Chow Tai Fook Jewellery Group Limited ("**Company**", together with its subsidiaries, the "**Group**") will be held at Meeting Room N201, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 28 July 2021 at 12:00 noon for the following purposes:

ORDINARY RESOLUTIONS

As Ordinary Business:

1. To receive and adopt the audited financial statements for the year ended 31 March 2021 together with the reports of the directors and the independent auditor thereon;
2. To declare a final dividend of HK\$0.24 per ordinary share of the Company for the year ended 31 March 2021 out of the amount standing to the credit of the share premium account of the Company;
3.
 - (a) To re-elect Mr. Cheng Chi-Heng, Conroy as an executive director;
 - (b) To re-elect Ms. Cheng Chi-Man, Sonia as an executive director;
 - (c) To re-elect Mr. Cheng Ping-Hei, Hamilton as an executive director;
 - (d) To re-elect Mr. Suen Chi-Keung, Peter as an executive director;
 - (e) To re-elect Dr. Or Ching-Fai, Raymond as an independent non-executive director;
 - (f) To re-elect Mr. Chia Pun-Kok, Herbert as an independent non-executive director; and
 - (g) To authorise the board of directors to fix the remuneration of the directors; and
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and authorise the board of directors to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As Special Business:

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

5. **"THAT:**

- (a) subject to paragraph 5(c) below, the exercise by the directors of the Company ("**Directors**") during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers, subject to and in accordance with all applicable laws and the articles of association of the Company, be and is hereby generally and unconditionally approved;
- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs 5(a) and 5(b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription or conversion rights attached to the warrants or the convertible securities which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

"Relevant Period" means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the mandate given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors to holders of shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (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)."

6. **"THAT:**

- (a) subject to paragraph 6(c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to buy back issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 6(a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to buy back its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the share capital of the Company which the Directors are authorised to buy back pursuant to the approval in paragraphs 6(a) and 6(b) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution, and the said 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 date of 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 articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the mandate given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

7. **"THAT** conditional upon the passing of the ordinary resolutions numbered 5 and 6 as set out in the notice convening this meeting, the aggregate nominal amount of the shares in the issued capital of the Company which are bought back by the Company under the authority granted to the Directors pursuant to and in accordance with the said resolution numbered 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to and in accordance with the said resolution numbered 5."

8. **"THAT:**

- (a) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company, a copy of which has been produced to the meeting and marked "A" for the purpose of identification initialled by the Chairman hereof (the **"New Share Option Scheme"**), the New Share Option Scheme be approved and adopted to be the share option scheme for the Company and that the directors of the Company be authorised to grant options thereunder and to allot and issue shares of the Company pursuant to the New Share Option Scheme, to administer the New Share Option Scheme in accordance with its terms and take all such steps and enter into all such transactions and arrangements as may be necessary or desirable to implement and give full effect to the New Share Option Scheme; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) subject to and conditional upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company on 17 November 2011 (the **"Existing Share Option Scheme"**) is hereby terminated with immediate effect except that the provisions of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination, or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme."
9. **"THAT** a general authority be granted to the Directors to declare and pay an interim dividend for the six months ending 30 September 2021 (**"Interim Period"**) out of the amount standing to the credit of the Company's share premium account to the shareholders of the Company during the period from the date of passing of this resolution until 31 March 2022 if and when the Directors consider appropriate, subject to a maximum amount equivalent to the unaudited consolidated net profits of the Group recorded in respect of the Interim Period and the applicable provisions of the Companies Act (2021 Revision) as consolidated and revised of the Cayman Islands."

By Order of the Board
Chow Tai Fook Jewellery Group Limited
Dr. Cheng Kar-Shun, Henry
Chairman

Hong Kong, 16 June 2021

Notes:

1. Any eligible shareholder is entitled to appoint one or more proxies to attend and vote in his/her/its stead at the above meeting (or at any adjournment of it) provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy form. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share of the Company, any one of such joint holders may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).

NOTICE OF ANNUAL GENERAL MEETING

4. For the purposes of determining shareholders' eligibility to attend and vote at the above meeting (or at any adjournment of it) and entitlement to the final dividend, the register of members of the Company will be closed as set out below:

- (i) For determining eligibility to attend and vote at the above meeting:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar	4:30 p.m. on Thursday, 22 July 2021
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Closure of register of members	Friday, 23 July 2021 to Wednesday, 28 July 2021 (both dates inclusive)
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Record date	Wednesday, 28 July 2021
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- (ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar	4:30 p.m. on Wednesday, 4 August 2021
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Closure of register of members	Thursday, 5 August 2021
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Record date	Thursday, 5 August 2021
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During the above closure periods, no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the meeting, and to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than the aforementioned latest time.

5. All resolutions set out in this notice will be taken by way of poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
6. The registration for attending the above meeting will start at 11:30 a.m. on Wednesday, 28 July 2021.
7. The above meeting will be adjourned if any of the following events happens on the date of such meeting:
- (a) at 9:00 a.m., a tropical cyclone warning signal no. 8 or above is in force in Hong Kong; or
- (b) at 11:00 a.m. or earlier, the Hong Kong Observatory has issued a pre-no. 8 special announcement to give an advance notice that tropical cyclone warning signal no. 8 is expected within 2 hours.

The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and its corporate website (www.ctfjewellerygroup.com) to notify shareholders of the date, time and place of the adjourned meeting.

The meeting will be held as scheduled when amber, red or black rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.

Shareholders may contact the Company's Hong Kong branch share registrar's customer service hotline at (852) 2980 1333 during business hours (9:00 a.m. to 6:00 p.m., Monday to Friday, excluding Hong Kong public holidays) for the meeting arrangements.

NOTICE OF ANNUAL GENERAL MEETING

8. Please refer to page 1 of the Company's circular dated 16 June 2021 for the measures to be taken at the AGM to prevent and control the spread of the COVID-19.

Depending on the COVID-19 situation in Hong Kong, the Company reserves the right to change the AGM arrangements or take further measures as appropriate in order to minimise any risk to shareholders and other participants attending the AGM. The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and its corporate website (www.ctfjewellerygroup.com) to notify shareholders of any revised arrangements whenever appropriate.

9. As at the date hereof, the board of directors comprises 10 executive directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Wong Siu-Kee, Kent, Mr. Chan Sai-Cheong, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Conroy, Ms. Cheng Chi-Man, Sonia, Mr. Cheng Kam-Biu, Wilson, Mr. Cheng Ping-Hei, Hamilton, Mr. Suen Chi-Keung, Peter and Mr. Liu Chun-Wai, Bobby; and 7 independent non-executive directors, namely Dr. Fung Kwok-King, Victor, Dr. Or Ching-Fai, Raymond, Mr. Kwong Che-Keung, Gordon, Mr. Cheng Ming-Fun, Paul, Mr. Lam Kin-Fung, Jeffrey, Mr. Chia Pun-Kok Herbert and Ms. Cheng Ka-Lai, Lily.

RESOLUTION 1 — RECEIVING AND ADOPTING THE AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended 31 March 2021, together with the Directors' Report, are set out in the 2021 Annual Report which are available in English and Chinese under the Investor Relations section of the Company's corporate website (www.ctfjewellerygroup.com) and the HKEXnews website (www.hkexnews.hk).

The financial statements were audited by PricewaterhouseCoopers ("**PwC**"), the independent auditor of the Company, and reviewed by the audit committee of the Company. The report of the independent auditor is set out in the 2021 Annual Report.

RESOLUTION 2 — DECLARATION OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The basic earnings per share of the Company were HK\$0.60 for the year ended 31 March 2021. The Board recommends the payment of a final dividend of HK\$0.24 per Share ("**Final Dividend**") (FY2020: a final dividend of HK\$0.12 per Share) to Shareholders whose names appear on the register of members of the Company on 5 August 2021. Along with the interim dividend for the six months ended 30 September 2020, the total dividend for the year ended 31 March 2021 amounts to a total of HK\$0.40 per Share (FY2020: HK\$0.24 per Share).

Subject to the fulfillment of the conditions set out below, the Final Dividend is intended to be paid out of the amount standing to the credit of the Share Premium Account. The Company is a holding company and a significant part of the Group's business is carried on through the operating subsidiaries of the Company at which level earnings are retained. As such, the Company may not have sufficient retained earnings to pay the Final Dividend at the holding company level. Having taken into account a number of factors including cash flow and financial condition of the Company, the Board considers it appropriate and proposes that the Final Dividend be paid out of the amount standing to the credit of the Share Premium Account in accordance with the Articles of Association and the Cayman Companies Act. The Board considers such arrangement to be in the interests of the Company and the Shareholders as a whole.

The payment of the Final Dividend out of the amount standing to the credit of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM declaring and approving the payment of the Final Dividend out of the amount standing to the credit of the Share Premium Account pursuant to the Articles of Association and the Cayman Companies Act; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, or immediately following the date on which the Final Dividend is paid will be, unable to pay its debts as they fall due in the ordinary course of business.

BUSINESS OF ANNUAL GENERAL MEETING

As at the Latest Practicable Date, the Company had 10,000,000,000 Shares in issue. Based on that, the Final Dividend, if declared and paid, will amount to approximately HK\$2,400 million. As at 31 March 2021, based on the audited financial statements of the Company, the amount standing to the credit of the Share Premium Account was approximately HK\$5,499 million. Following the payment of the Final Dividend, there will be a remaining balance of approximately HK\$3,099 million standing to the credit of the Share Premium Account.

The Board believes that the payment of the Final Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

Subject to the fulfilment of the conditions set out above, the proposed Final Dividend will be payable in cash on or about 20 August 2021.

RESOLUTION 3 — RE-ELECTION OF DIRECTORS

As at the date of the notice of AGM, the Directors are:

<i>Executive Directors:</i>	Dr. Cheng Kar-Shun, Henry, Mr. Wong Siu-Kee, Kent, Mr. Chan Sai-Cheong, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Conroy, Ms. Cheng Chi-Man, Sonia, Mr. Cheng Kam-Biu, Wilson, Mr. Cheng Ping-Hei, Hamilton, Mr. Suen Chi-Keung, Peter, Mr. Liu Chun-Wai, Bobby
<i>Independent Non-executive Directors:</i>	Dr. Fung Kwok-King, Victor, Dr. Or Ching-Fai, Raymond, Mr. Kwong Che-Keung, Gordon, Mr. Cheng Ming-Fun, Paul, Mr. Lam Kin-Fung, Jeffrey, Mr. Chia Pun-Kok, Herbert, Ms. Cheng Ka-Lai, Lily

Mr. Chia Pun-Kok, Herbert, who was appointed by the Board as an additional Director with effect from 1 April 2021, will retire at the AGM in accordance with article 83 of the Articles of Association and, being eligible, offer himself for re-election at the AGM.

Nomination of Mr. Herbert Chia was made in accordance with the Company's nomination policy and process. During its annual reviews on the Board composition and diversity, the nomination committee of the Company considered some objective criteria for new Board members and made it open for Directors to nominate suitable candidates to the nomination committee for consideration.

Mr. Herbert Chia was nominated by one of the Directors who first met him in a public conference in March 2019. Mr. Herbert Chia was one of the guest speakers in that conference who shared his experience on the Guangdong-Hong Kong-Macao Greater Bay Area and the business opportunities therein as a big data expert and future trend observer. It turned out that Mr. Herbert Chia was already well known for his big data expertise by several other Directors who had also come across him separately on public occasions or at

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public bodies. Mr. Herbert Chia emerged as a preferred candidate having regard to his mix of skills and experience, especially his expertise in big data strategy and applications and exposure in Mainland China market. The nomination committee considered the proposed appointment of Mr. Herbert Chia and recommended the proposed appointment to the Board for approval.

The Board expected Mr. Herbert Chia to play a part in contributing to the Company's "Dual-Force Strategy" focusing on both retail expansion and digital empowerment. In addition, the election as a Director of Mr. Herbert Chia would enhance the diversity in skills and age mix of the Board. Having considered the above, Mr. Herbert Chia was subsequently appointed by the Board as an independent non-executive Director and a member of the audit committee and nomination committee of the Company.

Mr. Cheng Chi-Heng, Conroy, Ms. Cheng Chi-Man, Sonia, Mr. Cheng Ping-Hei, Hamilton, Mr. Suen Chi-Keung, Peter and Dr. Or Ching-Fai, Raymond will retire from office by rotation at the AGM in accordance with article 84 of the Articles of Association and, being eligible, offer themselves for re-election at the AGM.

The nomination committee, having considered the Company's nomination policy and board diversity policy, is of the view that all retiring Directors who offer themselves for re-election at the AGM are of sufficient calibre and experience and have devoted sufficient time and efforts to the Company's affairs, Dr. Or Ching-Fai, Raymond and Mr. Chia Pun-Kok, Herbert, both being independent non-executive Directors, have also confirmed that they have met the independence criteria as set out in the Listing Rules.

Dr. Or Ching-Fai, Raymond has been serving the Company as an independent non-executive Director for more than nine years. The Board and the nomination committee of the Company are of the view that Dr. Raymond Or has been providing objective and independent views to the Company over the years and will remain committed to his independent role as an independent non-executive Director.

Dr. Raymond Or is a non-executive director and the chairman of the board and nomination committee of China Strategic Holdings Limited ("**China Strategic**"), a company listed on the Main Board of the Stock Exchange. As disclosed in the announcements of China Strategic dated 20 November 2020 and 11 December 2020, certain new shares were allotted and issued by China Strategic to Courage Star Global Limited ("**Subscriber**") on 11 December 2020 whereupon the Subscriber became the 16.67% shareholder of China Strategic. The Subscriber is a company wholly owned by Dr. Cheng Kar-Shun, Henry, an executive Director and chairman of the board of the Company. Dr. Raymond Or has confirmed to the Company that as at the Latest Practicable Date, he did not have any interest or short positions in the shares, underlying shares and debentures of China Strategic or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be disclosed or recorded pursuant to the SFO, and no share options have been granted to him by China Strategic. The Board and the nomination committee of the Company are of the view that Dr. Raymond Or is independent and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgement.

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The Board and the nomination committee of the Company consider that Dr. Raymond Or meets the independence guidelines set out in the Listing Rules and that the exercise of independent judgement by Dr. Raymond Or is not affected by his tenure with the Company or his position in or relationship with China Strategic. The Board was satisfied that Dr. Raymond Or has the required character, integrity and experience to continue fulfilling the role of an independent non-executive Director. The Board believes that Dr. Raymond Or's valuable knowledge and experience in the Group's business, his professional knowledge and general business acumen will continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

The Board considers that the re-election of all the retiring Directors is in the best interest of the Company and Shareholders as a whole.

Re-election of each of the retiring Directors will be put forward for voting separately in Resolutions 3(a) to 3(f). Information relating to these Directors which is required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

As stated in the Company's announcement dated 26 March 2021, Mr. Cheng Ming-Fun, Paul, an independent non-executive Director, will retire from the Board by rotation at the AGM in accordance with article 84 of the Articles of Association and will not seek re-election at the AGM.

Subject to the passing of Resolution 3(g), the Board will be authorised to fix the remuneration of the Directors. The remuneration of the Directors will be reviewed by the remuneration committee of the Company according to the Company's remuneration policy which ensures that no Director should vote on any resolution relating to his/her own remuneration.

RESOLUTION 4 — RE-APPOINTMENT OF AUDITOR AND FIXING AUDITOR'S REMUNERATION

For the year ended 31 March 2021, the remuneration paid to PwC and its affiliated firm was approximately HK\$8.4 million, of which about HK\$6.3 million was for audit and related services. The remaining non-audit services comprise primarily IT related services provided to the Group. None of these non-audit services provided compromise the independence of PwC as auditor, in terms of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and the remuneration in respect of the services provided by PwC was reviewed and approved by the audit committee of the Company.

Apart from approving its remuneration, the audit committee of the Company also reviewed the work of PwC, the external auditor of the Company, and was satisfied with its independence, objectivity, qualification, expertise and resources and the effectiveness of the audit process. The audit committee recommended to the Board, and the Board accepted, that the re-appointment of PwC, which has expressed its willingness to continue in office for the ensuing year, be recommended to the Shareholders.

RESOLUTION 5 — GENERAL MANDATE TO ISSUE SHARES

Given the general mandate to issue Shares granted by Shareholders at the last annual general meeting will lapse at the conclusion of the AGM, it is proposed that the mandate be renewed at the AGM.

The Issue Mandate size is limited to, and does not exceed, 20% of the aggregate nominal value of the issued Shares at the date of passing the relevant resolution. The price of any Shares to be allotted and issued for cash consideration under the authority granted by the Issue Mandate shall not be at a discount of 20% or more to the “benchmark price” pursuant to Rule 13.36(5) of the Listing Rules.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issue Mandate. The main purpose of the Issue Mandate is to give the Directors flexibility to issue and allot Shares pursuant to any capital raising need that may arise from time to time where the Directors believe it is in the best interests of the Company and the Shareholders as a whole to do so.

Details of the proposed resolution on the Issue Mandate are set out in Resolution 5 of the notice of the AGM.

RESOLUTION 6 — GENERAL MANDATE TO BUY BACK SHARES

Given the general mandate to buy back Shares granted by Shareholders at the last annual general meeting will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant to the Directors a general mandate to buy back Shares not exceeding 10% of the aggregate nominal value of the issued Shares at the date of the passing of the relevant resolution.

The Buy-back Mandate to be sought from Shareholders is in compliance with the Listing Rules. The Directors wish to state that they have no immediate plan to buy back any Shares pursuant to the Buy-Back Mandate and they will not exercise the Buy-back Mandate to such an extent that the public holding of Shares would be reduced to below 10.7% of the issued share capital of the Company, which is a lower minimum percentage of public float accepted at the discretion of the Stock Exchange. An explanatory statement, as required by the Listing Rules in connection with the Buy-back Mandate, is set out in Appendix II to this circular, which contains the information reasonably necessary to enable Shareholders to make an informed decision on whether or not to support the proposed resolution.

Details of the proposed resolution on the Buy-back Mandate are set out in Resolution 6 of the notice of the AGM.

RESOLUTION 7 — EXTENSION OF GENERAL MANDATE TO ISSUE SHARES BY THE AGGREGATE NOMINAL AMOUNT OF SHARES BOUGHT BACK

An ordinary resolution will be proposed at the AGM to extend the Issue Mandate by adding the aggregate nominal amount of Shares bought back under the Buy-back Mandate granted by Shareholders at the AGM. Details of the proposed resolution are set out in Resolution 7 of the notice of the AGM.

RESOLUTION 8 — ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Board proposes to adopt the New Share Option Scheme which will be valid for 10 years from the Adoption Date in order to replace the Existing Share Option Scheme. The New Share Option Scheme will continue to enable the Company to grant share options to eligible participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of its subsidiaries. The Directors consider that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, no share option has been granted and no share option was outstanding under the Existing Share Option Scheme. The Existing Share Option Scheme is due to expire in November 2021 and the Board proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme with terms in compliance with Chapter 17 of the Listing Rules. Save for the Existing Share Option Scheme, the Company has no other valid option schemes of its own as at the Latest Practicable Date.

The New Share Option Scheme will become effective upon (i) the approval of the New Share Option Scheme by the Shareholders at the AGM and the authorisation of the Board to grant options and allot and issue Shares under the New Share Option Scheme; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the options which may be granted under the New Share Option Scheme.

So far as the Directors are aware and having made all reasonable enquiries as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be proposed at the AGM to approve the adoption of the New Share Option Scheme. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 33/F, New World Tower, 16–18 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM.

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The maximum number of Shares that may be allotted and issued under the New Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 1,000,000,000 Shares, representing 10% of the aggregate number of Shares in issue as at the date of the AGM. The Directors consider it inappropriate to state the value of all the options that can be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date given that such valuation will have to be made based on various assumptions, including without limitation, the relevant exercise price, option period, interest rate, performance targets, expected volatility and other conditions that the Board may impose with respect to the options. The Directors believe that any valuation of the options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

RESOLUTION 9 — GRANTING OF GENERAL AUTHORITY TO DECLARE AND PAY AN INTERIM DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The Board intends to put forward for approval by the Shareholders at the AGM a proposal to grant a general authority to the Directors to declare and pay an interim dividend for the six months ending 30 September 2021 (the “**Interim Period**”) out of the amount standing to the credit of the Share Premium Account up to a maximum amount equivalent to the unaudited consolidated net profits of the Group recorded in respect of the Interim Period.

Pursuant to article 133 of the Articles of Association, the Company may in general meeting declare dividends in any currency to be paid to the Shareholders but no such dividend shall be declared in excess of the amount recommended by the Board. Article 134 of the Articles of Association further provides that, with the sanction of an ordinary resolution, dividends may be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Act.

The Board considers that the Interim Dividend Authority will give the Board greater flexibility to declare and pay an interim dividend for the six months ending 30 September 2021 out of the amount standing to the credit of the Share Premium Account to the Shareholders if and when the Board considers appropriate and therefore proposes to seek the approval of the Interim Dividend Authority from the Shareholders at the AGM. The granting of the Interim Dividend Authority will not in itself alter the underlying assets, liabilities, business operations, management or financial position of the Company. The Board therefore considers that the Interim Dividend Authority is in the interests of the Company and the Shareholders as a whole.

Pursuant to section 34 of the Cayman Companies Act, no distribution or dividend may be paid out of share premium unless, immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

The Directors undertake that they would only exercise the Interim Dividend Authority as approved by the Shareholders if and when the financial position of the Company justifies such payment or distribution in accordance with the established dividend policy of

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the Company and subject to compliance with the requirements of the Cayman Companies Act and any applicable rules and regulations. As at the Latest Practicable Date, the Board did not have any concrete decision as to the declaration and payment of any dividend for the six months ending 30 September 2021. Should the Board decide to declare or make distributions out of the amount standing to the credit of the Share Premium Account to the Shareholders pursuant to the Interim Dividend Authority, the Company will make further announcement(s) as and when appropriate.

As at the Latest Practicable Date, the amount standing to the credit of the Share Premium Account was approximately HK\$5,499 million. Following the payment of the Final Dividend, there will be a remaining balance of approximately HK\$3,099 million standing to the credit of the Share Premium Account.

In accordance with articles 83 and 84 of the Articles of Association, Mr. Cheng Chi-Heng, Conroy, Ms. Cheng Chi-Man, Sonia, Mr. Cheng Ping-Hei, Hamilton and Mr. Suen Chi-Keung, Peter, being executive Directors, and Dr. Or Ching-Fai, Raymond and Mr. Chia Pun-Kok, Herbert, being independent non-executive Directors, will retire from office by rotation at the AGM. All the retiring Directors, being eligible, offer themselves for re-election at the AGM.

Brief biographical and other details of the retiring Directors which are required to be disclosed under the Listing Rules are set out below.

1. **Mr. Cheng Chi-Heng, Conroy**, aged 43, joined the Group in 2007. He was appointed as an executive Director in July 2011. Mr. Conroy Cheng is responsible for managing the diamond and gemstone raw materials of the Group. He is also a director of certain subsidiaries of the Group.

Mr. Conroy Cheng is an executive director of New World Development Company Limited, which is a listed public company in Hong Kong. He is currently a member of the executive committee of the Diamond Federation of Hong Kong, China.

Mr. Conroy Cheng holds a Bachelor of Arts degree in Economics from The Western University (formerly known as The University of Western Ontario). Prior to joining the Group, Mr. Conroy Cheng had worked at Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive.

Mr. Conroy Cheng's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Conroy Cheng is entitled to receive a director's fee of HK\$200,000 per annum. For the year ended 31 March 2021, the total remuneration of Mr. Conroy Cheng amounted to HK\$7.0 million which included director's fee, salaries and other benefits, performance-based bonus and retirement benefits. The remuneration of Mr. Conroy Cheng was determined by the Board with reference to the prevailing market conditions, Mr. Conroy Cheng's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time.

Mr. Conroy Cheng is a nephew of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kam-Biu, Wilson and a cousin of Dr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia, all of whom are executive Directors. He is also a nephew of Mr. Cheng Sek-Hung, Timothy and a grandnephew of Mr. Cheng Yu-Wai, who are Honorary Advisers to the Board. Except as disclosed, Mr. Conroy Cheng does not have any relationship with any director, senior management, or substantial or controlling shareholder of the Company. Mr. Conroy Cheng does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Conroy Cheng involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Conroy Cheng that need to be brought to the attention of the Shareholders.

2. **Ms. Cheng Chi-Man, Sonia**, aged 40, joined the Group in April 2019 as a non-executive Director. She was re-designated as an executive Director with effect from 1 April 2021. She is responsible for high jewellery business of the Group.

In addition to the position held in the Group, Ms. Sonia Cheng is the chief executive officer of Rosewood Hotel Group and an executive director of New World Development Company Limited, a listed public company in Hong Kong. She is also an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited, and an independent director of Primavera Capital Acquisition Corporation, a company listed on the New York Stock Exchange.

Ms. Sonia Cheng is a member of the Hong Kong Tourism Board, chairman of the advisory committee of the School of Hotel and Tourism Management at The Chinese University of Hong Kong, and a member of the Y. Elites Association, the Young Presidents' Organization and the Hong Kong United Youth Association. She is also a member of the Thirteenth Guangzhou Municipal Committee of The Chinese People's Political Consultative Conference of the People's Republic of China.

Before joining New World Development Company Limited, Ms. Sonia Cheng worked in a major international investment bank and a global US private equity firm specialising in real estate investments. She holds a Bachelor of Arts Degree in Applied Mathematics with a concentration in Economics from Harvard University.

Ms. Sonia Cheng's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Ms. Sonia Cheng is entitled to receive a director's fee of HK\$200,000 per annum. For the year ended 31 March 2021, the total remuneration of Ms. Sonia Cheng amounted to HK\$0.3 million, which included director's fee and long-term incentive bonus. The remuneration of Ms. Sonia Cheng was determined by the Board with reference to the prevailing market conditions, her expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time.

Ms. Sonia Cheng is the daughter of Dr. Cheng Kar-Shun, Henry, the sister of Dr. Cheng Chi-Kong, Adrian, a cousin of Mr. Cheng Chi-Heng, Conroy and a niece of Mr. Cheng Kam-Biu, Wilson, all of whom are executive Directors. She is also a niece of Mr. Cheng Sek-Hung, Timothy and a grandniece of Mr. Cheng Yu-Wai, who are honorary advisers to the Board. Except as disclosed, Ms. Sonia Cheng does not have any relationship with any director, senior management, or

substantial or controlling shareholder of the Company. Ms. Sonia Cheng does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Ms. Sonia Cheng involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Ms. Sonia Cheng that need to be brought to the attention of the Shareholders.

3. **Mr. Cheng Ping-Hei, Hamilton**, aged 46, joined the Group in 2004. He was appointed as an executive Director in July 2011. Mr. Hamilton Cheng is responsible for the finance and information functions of the Group. He also serves as a joint company secretary of the Company. Mr. Hamilton Cheng is a director of certain subsidiaries of the Group.

Mr. Hamilton Cheng is currently a council member of The Hong Kong Institute of Directors and a member of the Financial Reporting Review Panel of the Financial Report Council in Hong Kong. Mr. Hamilton Cheng was awarded Director of the Year Awards 2015 by the Hong Kong Institute of Directors in December 2015. He has also been named as "Asia's Best CFO (Investor Relations)" by Corporate Governance Asia, an authoritative regional journal on corporate governance, at its Asian Excellence Awards for four consecutive years from 2017 to 2020.

Mr. Hamilton Cheng holds a Bachelor of Business Administration degree in Professional Accountancy from The Chinese University of Hong Kong. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of The Association of Chartered Certified Accountants and a Chartered Financial Analyst. He completed The Prince of Wales's Business & Sustainability Programme designed by the University of Cambridge Institute for Sustainability Leadership in April 2018 and obtained Executive Diploma in Corporate Governance and Sustainability Directorship from The Hong Kong Institute of Directors in May 2018.

Mr. Hamilton Cheng's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Hamilton Cheng is entitled to receive a director's fee of HK\$200,000 per annum. For the year ended 31 March 2021, the total remuneration of Mr. Hamilton Cheng amounted to HK\$8.9 million which included director's fee, salaries and other benefits, performance-based bonus and retirement benefits. The remuneration of Mr. Hamilton Cheng was determined by the Board with reference to the prevailing market conditions, Mr. Hamilton Cheng's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time.

Mr. Hamilton Cheng is not related to any director, senior management, or substantial or controlling shareholder of the Company. Save for 4,800 Shares held in Mr. Hamilton Cheng's personal capacity, he does not have other interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Hamilton Cheng involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Hamilton Cheng that need to be brought to the attention of the Shareholders.

4. **Mr. Suen Chi-Keung, Peter**, aged 56, joined the Group in 1985. He was appointed as an executive Director in 2011. Mr. Peter Suen is responsible for the Group's Hong Kong, Macau and overseas business. He is also a director of certain subsidiaries of the Group.

Mr. Peter Suen has been in the jewellery industry for 36 years. He's a member of the executive committee of the Hong Kong Jewellers' & Goldsmiths' Association and the executive committee of the Hong Kong Retail Management Association. Mr. Peter Suen holds an Executive Master's degree in Business Administration from The Chinese University of Hong Kong.

Mr. Peter Suen's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Peter Suen is entitled to receive a director's fee of HK\$200,000 per annum. For the year ended 31 March 2021, the total remuneration of Mr. Peter Suen amounted to HK\$6.8 million which included director's fee, salaries and other benefits, performance-based bonus and retirement benefits. The remuneration of Mr. Peter Suen was determined by the Board with reference to the prevailing market conditions, Mr. Peter Suen's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time.

Mr. Peter Suen is not related to any director, senior management, or substantial or controlling shareholder of the Company. Save for 3,600 Shares held in Mr. Peter Suen's personal capacity, he does not have other interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Peter Suen involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Peter Suen that need to be brought to the attention of the Shareholders.

5. **Dr. Or Ching-Fai, Raymond**, aged 71, was appointed as an independent non-executive Director in November 2011 and is chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company.

Dr. Raymond Or holds a bachelor of social sciences degree in economics and psychology from the University of Hong Kong and was awarded Honorary University Fellow from The University of Hong Kong in 2009. Dr. Raymond Or was awarded an Honorary Doctor of Social Science from the City University of Hong Kong in 2014 and was conferred Honorary Fellowship by Hang Seng University of Hong Kong (formerly known as Hang Seng Management College) in May 2017.

Dr. Raymond Or is also chairman and a non-executive director of China Strategic Holdings Limited, and an independent non-executive director of Regina Miracle International (Holdings) Limited and Playmates Holdings Limited, all of which are listed public companies in Hong Kong. He is also an independent non-executive director of Industrial and Commercial Bank of China (Asia) Limited. Dr. Raymond Or was an independent non-executive director of Industrial and Commercial Bank of China Limited until his retirement in October 2018; an independent non-executive director of Television Broadcasts Limited until his resignation on 1 January 2020; and non-executive chairman and a non-executive director of Esprit Holdings Limited until his resignation on 1 January 2021, all of which are listed public companies in Hong Kong.

Dr. Raymond Or's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Dr. Raymond Or is entitled to receive a director's fee of HK\$420,000 per annum. For the year ended 31 March 2021, the total remuneration of Dr. Raymond Or amounted to HK\$0.5 million which included director's fee and long-term incentive bonus. The remuneration of Dr. Raymond Or was determined by the Board with reference to the prevailing market conditions, Dr. Raymond Or's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time.

Dr. Raymond Or is not related to any director, senior management, or substantial or controlling shareholder of the Company. Dr. Raymond Or does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Dr. Raymond Or involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Dr. Raymond Or that need to be brought to the attention of the Shareholders.

6. **Mr. Chia Pun-Kok, Herbert**, aged 55, was appointed as an independent non-executive Director in April 2021 and is a member of the nomination committee and the audit committee of the Company.

Mr. Herbert Chia is a Venture Partner of Sequoia Capital China. He has over ten years of practical experience in big data strategy and application with unique insights into the future trends of e-commerce. He joined Alibaba in August 2010 and served as the Vice President of Alibaba (China) Co., Ltd. and the President of

Data Committee. During his tenure with Alibaba, the data team of Alibaba was awarded “China Excellent IT Team” in the “Excellent Chinese CIO” selection in 2014, and Mr. Herbert Chia was also rated as “China Top 10 Most Influential Big Data Entrepreneurs” by the State Information Center of China in 2017. Mr. Herbert Chia has been making significant contributions in helping to bring China’s big data industry to a new level. He is a member of Big Data Advisory Group of Beijing Government, Committee on Innovation, Technology and Re-industrialisation of Hong Kong Special Administrative Region, board of director of Hong Kong Science and Technology Parks Corporation and a non-official member of the Governance Committee of Hong Kong Growth Portfolio. He has also actively promoted Hong Kong to become the big data pilot city in The China Great Bay Area and The Belt and Road.

Mr. Herbert Chia is the Adjunct Professor of the School of Management of Zhejiang University and the Alibaba Business School. He is also the author of various best-selling books including *The Big Data* and *The Nature of Big Data*. Mr. Herbert Chia holds an Executive Master of Business Administration (EMBA) degree from Tsinghua University and an EMBA degree from the Institut Européen d’Administration des Affaires (INSEAD).

Mr. Herbert Chia had served as an independent non-executive director of a Hong Kong publicly listed company, Tianjin Binhai Teda Logistics (Group) Corporation Limited from May 2017 to June 2018.

Mr. Herbert Chia’s appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Herbert Chia is entitled to receive a director’s fee of HK\$420,000 per annum and long-term incentive bonus. The remuneration of Mr. Herbert Chia is determined by the Board with reference to the prevailing market conditions, his expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company’s remuneration committee from time to time.

Mr. Herbert Chia does not have any relationship with any director, senior management, or substantial or controlling shareholder of the Company. Mr. Herbert Chia does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Herbert Chia involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Herbert Chia that need to be brought to the attention of the Shareholders.

This Appendix serves as an explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the Buy-back Mandate proposed to be granted to the Directors at the AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was 50,000,000,000 Shares, of which a total of 10,000,000,000 Shares were issued and fully paid.

Subject to the passing of the ordinary resolution approving the Buy-back Mandate and on the basis that no further Shares are issued or bought back following 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 1,000,000,000 Shares during the period from the passing of the resolution approving the Buy-back Mandate at the AGM up to (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 Articles of Association or any applicable laws of the Cayman Islands to be held, or (iii) the revocation or variation of such mandate by ordinary resolution of Shareholders in general meeting, whichever occurs first.

2. REASONS FOR BUY-BACKS

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to buy back Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

3. FUNDING OF BUY-BACKS

Any buy-back of Shares will be made out of funds which are legally available for the purpose in accordance with the Articles of Association and the Cayman Companies Act. A listed company may not buy back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any buy-back by the Company may be made out of profits of the Company, out of the Company's share premium account, out of proceeds of a new issue of Shares made for the purpose of the buy-back or, if authorised by the Articles of Association and subject to the Cayman Companies Act, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be bought back must be paid out of profits of the Company or from sums standing to the credit of the Company's share premium account or, if authorised by the Articles of Association and subject to the Cayman Companies Act, out of capital.

As compared with the financial position of the Company as at 31 March 2021 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there might be a material adverse impact on the working capital or the gearing position of the Company in the event that the Buy-back Mandate was to be exercised in full during the proposed buy-back period. The Directors do not propose to exercise the Buy-back Mandate to such 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. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

5. 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 Buy-back Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

6. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors' exercising the powers of the Company to buy back Shares pursuant to the Buy-back Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

If the Buy-back Mandate were exercised in full, the shareholding percentage of the Shareholders, who have an interest in 5% or more of the issued share capital of the Company (based on the number of the Shares they held as at the Latest Practicable Date), before and after such buy-back would be as follows:

Name of Shareholder	Number of Shares held	Percentage of existing shareholding in the Company	Percentage of shareholding in the Company if the Buy-back Mandate is exercised in full
Cheng Yu Tung Family (Holdings) Limited	7,239,320,185	72.4	80.4
Cheng Yu Tung Family (Holdings II) Limited	7,239,320,185	72.4	80.4
Chow Tai Fook Capital Limited	7,239,320,185	72.4	80.4
Cheng Kam Chiu, Stewart	507,262,572	5.1	5.6
Cheng Yu Wai	506,541,354	5.1	5.6
Yueford Corporation	506,541,354	5.1	5.6

Notes:

1. As at the Latest Practicable Date, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 49.0% and 46.7% interest in Chow Tai Fook Capital Limited respectively and accordingly each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited is deemed to have an interest in the Shares held by Chow Tai Fook Capital Limited under the SFO. As at the Latest Practicable Date, Chow Tai Fook Capital Limited held 7,239,320,185 Shares directly.
2. As at the Latest Practicable Date, Mr. Cheng Kam Chiu, Stewart held more than one-third of the total shares in each of Yueford Corporation and Manor Investment Holdings Ltd. and accordingly he is deemed to have an interest in the 506,541,354 shares of the Company held by Yueford Corporation and the 319,218 shares of the Company held by Manor Investment Holdings Ltd. Together with the 402,000 shares of the Company directly held by him, Mr. Cheng Kam Chiu, Stewart had an aggregate interest in 507,262,572 shares of the Company as at the Latest Practicable Date.

In the event that the Buy-back Mandate is exercised in full, the shareholding of these Shareholders in the Company would be increased as shown in the table above. Accordingly, they will not be required under the Takeovers Code to make a mandatory offer for all the issued Shares as a result of such increase.

The Directors will not exercise the Buy-back Mandate to such an extent that the public holding of Shares would be reduced to below 10.7% of the issued share capital of the Company, which is a lower minimum percentage of public float accepted at the discretion of the Stock Exchange.

7. SHARE BUY-BACKS MADE BY THE COMPANY

The Company has not bought back any Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

8. SHARE PRICES

During each of the previous 12 months immediately prior to the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:

	Share prices (per Share)	
	Highest (HK\$)	Lowest (HK\$)
2020		
June	7.85	5.77
July	8.50	7.35
August	8.93	7.60
September	10.70	8.41
October	11.00	9.72
November	10.50	9.00
December	10.30	9.52
2021		
January	10.84	9.30
February	11.76	9.31
March	11.98	10.20
April	13.48	11.90
May	14.98	11.94
June (up to and including the Latest Practicable Date)	15.32	14.50

Source: quoted prices from the Stock Exchange's website (www.hkex.com.hk)

The following is a summary of the principal terms of the New Share Option Scheme:

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

The Directors consider that the New Share Option Scheme will enable the Group to reward the selected participants for their contributions to the Group. Apart from the determination of the exercise price of the options, the Board may, in its sole discretion, determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised, either on a case by case or general basis, with reference to the objectives and developments of the Group.

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

The Board may, at its discretion, grant options pursuant to the New Share Option Scheme to the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company's subsidiaries, the employees of the Group and any consultants engaged by any member of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group (the "**Participants**"). The basis of eligibility of the Participants to the grant of options under the New Share Option Scheme shall be determined by the Board in its discretion from time to time on the basis of the Participants' contribution or potential contribution to the development and growth of the Group and the enhancement of the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

(a) Scheme Mandate Limit

The total number of Shares in respect of which options may be granted pursuant to the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the New Share Option Scheme or any other share option scheme of the Company will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which Options may be granted.

(b) Renewal of Scheme Mandate Limit

The Scheme Mandate Limit may be renewed subject to prior Shareholders' approval, but in any event, the total number of Shares in respect of which options may be granted pursuant to the New Share Option Scheme and any other share option schemes of the Company following the date of approval of the renewed limit (the "**New Approval Date**") under the limit as renewed must not exceed 10% of the Shares in issue as at the New Approval Date. Shares in respect of options granted pursuant to the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or any other share option schemes of the Company or exercised options) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which options may be granted following the New Approval Date under the limit as renewed.

(c) Grant of Options Beyond the Scheme Mandate Limit

Notwithstanding the foregoing, the Company may grant options beyond the Scheme Mandate Limit to Participants if:

- (i) separate Shareholders' approval has been obtained for granting options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought; and
- (ii) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules.

(d) Maximum Number of Shares Issued Pursuant to the Exercise of Options

At any time, the maximum number of Shares underlying all outstanding options which have been granted and have yet to be exercised pursuant to the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the Shares in issue from time to time.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Subject to the paragraph below, the maximum number of Shares underlying the options granted to each Participant pursuant to the New Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not (when aggregated with any Shares underlying the options granted during such period pursuant to any other share option schemes of the Company other than those options granted pursuant to a specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being.

Where any further grant of options to a Participant would result in the Shares underlying all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant (when aggregated with any Shares underlying the options granted during such period pursuant to any other share option schemes of the Company other than those options granted pursuant to a specific approval by the Shareholders in a general meeting) representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the options to be granted (and options previously granted to such Participant) and such other information required under the Listing Rules.

5. PERIOD FOR EXERCISE OF OPTIONS AND LIFE OF THE NEW SHARE OPTION SCHEME

The period during which an option may be exercised by a Grantee (the **"Option Period"**) shall be the period to be determined and notified by the Board to the Grantee at the time of making an offer, which shall not expire later than 10 years from the offer date.

The New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the **"Term"**), after which period no further options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the Term.

6. TERMS OF OPTIONS TO BE GRANTED

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the New Share Option Scheme. However, the Board may in its absolute discretion specify the terms on which the option is to be granted. Such terms may, at the absolute discretion of the Board, include, among other things, (a) the minimum period for which an option must be held before it can be exercised, (b) a performance target that must be reached before the option can be exercised in whole or in part and/or (c) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

7. ACCEPTANCE OF AN OFFER

An offer of the grant of an option is deemed to be accepted by the Grantee when the Company receives from the Grantee the duplicate notice of grant duly signed by the Grantee. An offer may be accepted or deemed to have been accepted in respect of less

than the number of Shares in respect of which it is offered, provided that it is accepted in respect of a board lot or an integral multiple thereof. No amount is payable by the Grantee upon acceptance of an offer of an option.

8. EXERCISE PRICE

The price per Share at which a Grantee may subscribe for Shares upon the exercise of an option (the “**Exercise Price**”) shall be determined by the Board in its absolute discretion but in any event shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the offer date, which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; and
- (c) the nominal value of the Shares.

9. RIGHTS ATTACHED TO THE OPTIONS

The options do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on the winding up of the Company).

No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an option pursuant to the New Share Option Scheme, unless and until the Shares underlying the option are actually issued to the Grantee pursuant to the exercise of such option.

10. RIGHTS ATTACHED TO THE SHARES

No dividends or distributions shall be payable in respect of any Shares underlying an option which has not been exercised.

Subject to the foregoing, the Shares which are allotted and issued upon the exercise of an option shall be subject to all the provisions of the Memorandum and Articles of Association of the Company for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a liquidation of the Company) as, the existing fully paid Shares in issue on the date on which those Shares are allotted and issued upon the exercise of the option and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are issued and allotted, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are issued and allotted.

11. LAPSE OF OPTIONS

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

- (a) the expiry of the Option Period (subject to the provisions of the New Share Option Scheme);
- (b) the date of termination of the Grantee's employment by or services to the Company or any of its subsidiaries for Causes (as defined below);
- (c) the date on which the Grantee: (i) becomes an officer, director, employee, consultant, adviser, partner of, or a stockholder or other proprietor owning more than a 5% interest in, any Competitor (as defined below); or (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor;
- (d) the expiry of the period for exercising the option in the event of a general offer made by way of takeover, scheme of arrangement or otherwise is made to all the Shareholders (subject to the provisions of the New Share Option Scheme);
- (e) the date on which a compromise or arrangement (other than a scheme of arrangement contemplated in (d) above) between the Company and the Shareholders and/or the creditors of the Company pursuant to the Cayman Companies Act becomes effective (subject to the provisions of the New Share Option Scheme);
- (f) the date of the commencement of the winding-up of the Company;
- (g) the date on which the Grantee (whether intentionally or otherwise) commits a breach of paragraph 15 below on "Transferability of Options";
- (h) the date on which the Grantee is declared bankrupt or enters into any arrangement or composition with his creditors generally; and
- (i) (in respect of such Shares which are subject to vesting condition(s)) the date on which the condition(s) to vesting of the relevant Shares underlying the option are not satisfied.

The Board shall have the right to determine what constitutes Cause, whether the Grantee's employment or services have been terminated for Cause, the effective date of such termination for Cause and whether someone is a Competitor, and such determination by the Board shall be final and conclusive.

If the Grantee's employment by or services to the Company or any of its subsidiaries is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, disability (as determined by the Board in its absolute discretion) or non-

renewal of the employment, service or other agreement upon its expiration for any reason other than for Cause), the Board shall determine at its absolute discretion and shall notify the Grantee whether the Grantee shall be entitled, following such termination of employment or services, to exercise the option (to the extent not already exercised) in respect of vested and unvested Shares as at the date on which the Grantee's employment or service is terminated and the period during which such option may be exercised. If the Board determines that such option may not be exercised following such termination of employment or services, such option shall automatically lapse with effect from the date on which the Grantee's employment or services are terminated.

For the purpose of the New Share Option Scheme:

"Cause" means, with respect to a Grantee, such event which will entitle the Company and/or any of its subsidiaries to terminate the employment or services of the Grantee with immediate notice without compensation under the relevant agreement or, if it is not otherwise provided for in the relevant agreement, (i) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence, (ii) a material breach of any agreement or understanding between the Grantee and the Company and/or any of its subsidiaries, including any applicable invention assignment, employment, non-competition, confidentiality or other agreement, (iii) misrepresentation or omission of any material fact in connection with his employment or services, (iv) a material failure to perform the customary duties as an employee or director of the Company and/or any of its subsidiaries, to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or (v) any conduct that is materially adverse to the name, reputation or interests of the Group; and

"Competitor" means any governmental unit, corporation, partnership, joint venture, trust, individual proprietorship, firm or other enterprise (including any of their respective affiliates) that carries on activities for profit or is engaged in or is about to become engaged in any activity of any nature that competes (directly or indirectly) with a product, process, technique, procedure, device or service of the Company or any of its subsidiaries.

12. REORGANISATION OF CAPITAL STRUCTURE

(a) Adjustments

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved by Shareholders, the maximum number of Shares that may be issued upon exercise of all options to be granted pursuant to the New Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

Subject to the paragraph above, in the event of an alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of the subsidiaries is a party or in connection with any share option, restricted share or other equity-based incentive schemes of the Company) whilst any option remains unvested or has vested but not yet been exercised and/or satisfied, such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal value of Shares underlying the option so far as unexercised or exercised but not yet satisfied; and/or
- (ii) the Exercise Price,

or any combination thereof, provided that:

- (iii) any such adjustments give a Grantee the same proportion of the share capital of the Company as that to which that Grantee was previously entitled; and
- (iv) notwithstanding paragraph 12(a)(iii) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, the auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

(b) Auditors or Independent Financial Adviser Certification

The Company shall engage the auditors or an independent financial adviser to the Company to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company satisfy the requirements set out in paragraphs 12(a)(iii) and 12(a)(iv) above.

13. CANCELLATION OF OPTIONS

The Board may at any time cancel options previously granted to but not yet exercised by a Grantee. Where the Company cancels options and offers new options to the same Grantee, the offer of such new options may only be made with available options to the extent not yet granted (excluding the cancelled options) within the Scheme Mandate Limit limits prescribed in the New Share Option Scheme.

14. TERMINATION OF THE SHARE OPTION SCHEME

The Board may at any time terminate the New Share Option Scheme and in such event, no further options may be offered or granted but in all other respects the terms of the New Share Option Scheme shall remain in full force and effect in respect of options which are granted during the life of the New Share Option Scheme and which are not yet exercised immediately prior to the termination of the operation of the New Share Option Scheme.

15. TRANSFERABILITY OF OPTIONS

An option shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not 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.

16. ALTERATION OF THE NEW SHARE OPTION SCHEME

Save as provided in the New Share Option Scheme, the Board may alter any of the terms of the New Share Option Scheme at any time. Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants and changes to the authority of the Board in relation to any alteration of the terms of the New Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting.

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any changes to the terms of the options granted must be approved by the Shareholders in general meeting, except where the alterations or changes take effect automatically under the existing terms of the New Share Option Scheme. The Board's determination as to whether any proposed alteration to the terms and conditions of the New Share Option Scheme is material shall be conclusive. The New Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

17. CONDITIONS OF THE NEW SHARE OPTION SCHEME

This Scheme shall take effect subject to:

- (a) the passing of the resolution by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant options pursuant to the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any options; 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 any options pursuant to the New Share Option Scheme.

1. WHO IS ELIGIBLE TO ATTEND AND VOTE

Shareholders whose names appear on the register of members of the Company on 28 July 2021 (the date of the AGM) are eligible to attend and vote at the AGM.

The register of members of the Company will be closed and no transfer of Shares will be registered from Friday, 23 July 2021 to Wednesday, 28 July 2021, both dates inclusive. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 22 July 2021.

2. HOW TO VOTE

Registered Shareholders

(a) Attending in person

You are entitled to attend and vote at the AGM in person or, in the case of a corporation, by its duly authorised representative. A corporation must submit a properly executed proxy form or corporate representative authorisation.

(b) By proxy

If you do not plan to attend the AGM, you may appoint the chairman of the AGM or any person of your choice, who needs not be a Shareholder, as your proxy to attend and vote on your behalf at the AGM.

You may appoint more than one proxy to represent you provided that the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.

Non-registered Shareholders

If you are a non-registered Shareholder i.e. your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive a proxy form directly from the Company, and you have to give instructions to your intermediary/nominee to vote on your behalf. If you wish to attend and vote at the AGM, you should seek an authorisation from your intermediary/nominee directly.

3. PROXY APPOINTMENT

Form of proxy

A form of proxy is enclosed with this circular or can be downloaded from the Investor Relations section of the Company's corporate website (www.ctfjewellerygroup.com) and the HKEXnews website (www.hkexnews.hk). If you appoint more than one proxy, you must specify the number of Shares each proxy is appointed to represent.

Voting by proxies

If you have properly completed and returned a proxy form, the person named in the proxy form will be authorised to attend the AGM and vote on your behalf. If you have clearly specified in the proxy form how you wish your votes to be cast, your proxy must cast your votes in accordance with your specified instructions. In the absence of any instructions given in respect of a resolution, your proxy will be entitled to cast your votes at his/her discretion or to abstain from voting in respect of that resolution. Your proxy will also be entitled to cast your votes at his/her discretion or to abstain from voting on any other resolution properly put to the AGM other than those referred to in the notice of the AGM.

In order to be valid, you are requested to complete the proxy form in accordance with the instructions printed on it and return the completed proxy form to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible so that it is received at least 48 hours before the time appointed for the AGM or any adjourned meeting (as the case may be) ("**Closing Time**"). Submission of a proxy form shall not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish and in such event, the proxy form shall be deemed to be revoked.

4. HOW TO REVOKE A PROXY GIVEN

Registered Shareholders

If you have returned a proxy form, you may revoke it by completing and signing a proxy form bearing a later date, and lodging it with the Company's Hong Kong branch share registrar or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company. In order to be valid for voting purpose, this latter proxy form should be received by the Company's Hong Kong branch registrar before the Closing Time.

You should also note that your proxy's authority to vote on a resolution is to be regarded as revoked if you attend in person and vote on that particular resolution at the AGM.

Non-registered Shareholders

If you are a non-registered Shareholder and wish to revoke an authorisation appointing a person to vote on your behalf, you should contact your intermediary or nominee directly to revoke your authorisation.

5. VOTING ARRANGEMENTS

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, voting on all the resolutions proposed at the AGM will be taken by way of poll.

Article 66(1) of the Articles of Association provides that on a poll, subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the Articles of Association, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder.

None of the Shareholders is required to abstain from voting at the AGM pursuant to the Listing Rules and/or the Articles of Association.

6. POLL RESULTS

After being verified by the scrutineer, the poll results will be published on the Company's corporate website (www.ctfjewellerygroup.com) and the HKEXnews website (www.hkexnews.hk).

7. TYPHOON ARRANGEMENTS

The meeting will be adjourned if any of the following events happens on the date of such meeting:

- (a) at 9:00 a.m., a tropical cyclone warning signal no. 8 or above is in force in Hong Kong; or
- (b) at 11:00 a.m. or earlier, the Hong Kong Observatory has issued a pre-no. 8 special announcement to give an advanced notice that a tropical cyclone warning signal no. 8 is expected within 2 hours.

The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and the Company's corporate website (www.ctfjewellerygroup.com) to notify shareholders of the date, time and place of the adjourned meeting.

The meeting will be held as scheduled when amber, red or black rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.

Shareholders may contact the Company's Hong Kong branch share registrar's customer service hotline at (852) 2980 1333 during business hours (9:00 a.m. to 6:00 p.m., Monday to Friday, excluding Hong Kong public holidays) for details of the postponement or the meeting arrangements.