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

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

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

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**FAIRWOOD HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 52)



**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,  
RE-ELECTION OF DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME,  
ADOPTION OF CHINESE NAME AS SECONDARY NAME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Fairwood Holdings Limited to be held at Conference Room, 2nd Floor, TRP Commercial Centre, 18 Tanner Road, North Point, Hong Kong on Thursday, 9 September 2021 at 4:00 p.m. or any adjournment thereof is set out on pages 27 to 31 of this circular. A proxy form for use at the Annual General Meeting is enclosed herewith.

Whether or not you are able to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business in Hong Kong at 2nd Floor, TRP Commercial Centre, 18 Tanner Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof in person should you so wish.

**PRECAUTIONARY MEASURES FOR THE AGM**

**Under the COVID-19 circumstances, the Company is required to implement precautionary measures at the AGM in order to safeguard the health and safety of the attendees and to comply with relevant regulations promulgated by the Hong Kong Government. Details of the control measures for the AGM are set out on pages 1 to 2 of this circular.**

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# CONTENTS

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	<i>Page</i>
<b>PRECAUTIONARY MEASURES FOR THE AGM</b> .....	1
<b>DEFINITIONS</b> .....	3
<b>Letter from the Board</b>	
1. Introduction .....	6
2. General Mandates to issue shares and to buy back shares .....	6
3. Re-election of Directors .....	7
4. Adoption of the New Share Option Scheme .....	8
5. Adoption of Chinese Name as Secondary Name .....	9
6. AGM .....	10
7. Voting at the AGM .....	11
8. Recommendation .....	11
9. Responsibility Statement .....	11
10. Additional Information .....	12
<b>APPENDIX I — EXPLANATORY STATEMENT                   ON THE BUY-BACK MANDATE</b> .....	13
<b>APPENDIX II — DETAILS OF THE DIRECTORS                   TO BE RE-ELECTED AT THE AGM</b> .....	16
<b>APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF                   THE NEW SHARE OPTION SCHEME</b> .....	18
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	27

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## PRECAUTIONARY MEASURES FOR THE AGM

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In view of the ongoing COVID-19 and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM or any adjournment thereof (as the case may be) with a view to addressing the risk to attending Shareholders and other attendees of infection:

- (i) Mandatory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius or has any symptom of COVID-19 shall be denied entry into or be required to leave the AGM venue;
- (ii) Every Shareholder, proxy and other attendees must wear surgical face masks inside the AGM venue at all times;
- (iii) There will be disinfection of hands and footwear at the entrance of the AGM venue;
- (iv) **No distribution of corporate gift and no refreshment is to be served;**
- (v) Every Shareholder, proxy and other attendees will be required to submit a signed and completed health declaration form prior to being admitted to the AGM venue. Any person who has given a positive confirmation(s) to any of the questions asked in the health declaration form may not be admitted to the AGM venue;
- (vi) Seating at the AGM venue will be arranged to allow appropriate social distancing. As a result, Shareholders, proxy and other attendees shall be admitted on a “first-come-first-served” basis due to limited capacity for attending the AGM;
- (vii) Any person who is subject to any Hong Kong Government prescribed quarantine will be denied entry into the AGM venue; and
- (viii) Any other arrangement as required to be implemented for compliance with the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time.

To the extent permitted under the applicable law, the Company reserves the rights to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for its prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising their voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolution(s) at the AGM instead of attending the AGM in person.

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## PRECAUTIONARY MEASURES FOR THE AGM

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The proxy form for use at the AGM is enclosed with this circular. Alternatively, the proxy form can be downloaded from the Company's website at [www.fairwoodholdings.com.hk](http://www.fairwoodholdings.com.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy.

If any Shareholder chooses not to attend the AGM in person and has any questions about any resolution or about the Company, or has any matters for communication with the Board, he/she is welcomed to contact the Company via the following manners:

Email: 2021agm@fairwood.com.hk  
Fax: 2165 0599

If any Shareholder has any question relating to the AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar as follows:

Computershare Hong Kong Investor Services Limited  
Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong  
Email: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)  
Telephone: +852 2862 8555  
Fax: +852 2865 0990

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## DEFINITIONS

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

“2011 Share Option Scheme”	the existing share option scheme of the Company adopted on 7 September 2011;
“Acceptance Form”	the form of acceptance (including in hard copy, electronic format or any other format as specified in the Offer Letter) accompanying the Offer Letter;
“Adoption of Chinese Name as Secondary Name”	the proposed adoption and registration of the Chinese name “大快活集團有限公司” as the secondary name of the Company at the AGM;
“AGM”	the annual general meeting of the Company convened to be held at Conference Room, 2nd Floor, TRP Commercial Centre, 18 Tanner Road, North Point, Hong Kong on Thursday, 9 September 2021 at 4:00 p.m. and any adjournment thereof;
“AGM Notice”	the notice convening the AGM as set out on pages 27 to 31 of this circular;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares in the manner as set out in the AGM Notice;
“Bye-laws”	the Bye-laws of the Company, as amended from time to time;
“Cause”	in relation to an Option Holder, having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his/her creditors generally;
“Company”	Fairwood Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“connected person”, “core connected person” and “close associate”	each has the meaning set out in the Listing Rules;
“Director(s)”	the director(s) of the Company;

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## DEFINITIONS

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“Eligible Person”	any:  (a) Employee; or  (b) non-executive Director and any independent non-executive Director or officer of any member of the Group;
“Employee”	any person employed by the Company or a subsidiary of the Company and any person who is an officer or Director (whether executive or non-executive) of the Company or any subsidiary of the Company. An Option Holder shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company or the relevant subsidiary; or (b) transfers between the Company and any subsidiary or any successor;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“inside information”	has the meaning set out in the Listing Rules;
“Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and deal with new Shares in the manner as set out in the AGM Notice;
“Latest Practicable Date”	23 July 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
“Misconduct”	in relation to an Option Holder, his/her being guilty of serious misconduct, or having been convicted of any criminal offence involving his/her integrity or honesty;
“New Share Option Scheme”	the new share option scheme to be adopted at the AGM (described in this circular) in its present or any amended form;

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## DEFINITIONS

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“Offer Letter”	has the meaning set out in paragraph 5 of Appendix III to this circular;
“Option(s)”	an option to subscribe for Share(s) granted pursuant to the New Share Option Scheme;
“Option Holder”	any Eligible Person who accepts an offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so requires) the legal personal representative(s) of such Eligible Person;
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong, as amended from time to time;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which an Option Holder may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme;
“Takeovers Code”	The Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

**FAIRWOOD HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 52)



*Executive Directors:*

Dennis LO Hoi Yeung (*Executive Chairman*)  
LO Fai Shing Francis (*Chief Executive Officer*)  
MAK Yee Mei  
Peggy LEE

*Independent Non-executive Directors:*

NG Chi Keung  
Joseph CHAN Kai Nin  
Peter LAU Kwok Kuen  
Tony TSOI Tong Hoo  
Peter WAN Kam To

*Registered Office:*

Victoria Place, 5th Floor,  
31 Victoria Street,  
Hamilton HM10, Bermuda

*Head Office and Principal Place  
of Business in Hong Kong:*

2nd Floor, TRP Commercial Centre,  
18 Tanner Road, North Point,  
Hong Kong

30 July 2021

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,  
RE-ELECTION OF DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME,  
ADOPTION OF CHINESE NAME AS SECONDARY NAME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM, which include the Issue Mandate, the Buy-back Mandate, the re-election of retiring Directors, the adoption of the New Share Option Scheme and the Adoption of Chinese Name as Secondary Name.

**2. GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES**

At the conclusion of the AGM, the general mandates to issue and buy back Shares granted at the annual general meeting of the Company held on 10 September 2020 will expire and cease to be effective. The Board intends to seek the approval of the Shareholders to grant the fresh Issue



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## LETTER FROM THE BOARD

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Mandate and Buy-back Mandate at the AGM. Ordinary resolutions will be proposed at the AGM to approve the granting of the Issue Mandate and the Buy-back Mandate to the Directors. In addition, an ordinary resolution will be proposed to extend the Issue Mandate by adding to it the number of such Shares bought back under the Buy-back Mandate.

An explanatory statement, as required under the Listing Rules, to provide requisite information to Shareholders for considering the proposal to grant the Directors the Buy-back Mandate is set out in Appendix I to this circular.

### 3. RE-ELECTION OF DIRECTORS

Pursuant to Bye-laws 109(A) and 189(viii), one-third of Directors (other than Chairman and Managing Director) shall retire from office by rotation at least once every three years. Accordingly, Ms Peggy LEE and Mr Peter WAN Kam To will retire from office by rotation at the AGM and each of them, being eligible, will offer themselves for re-election at the AGM, and Mr Tony TSOI Tong Hoo will retire from office by rotation at the AGM and will not offer himself for re-election.

Ms Peggy LEE has joined the Company since February 2011 and has extensive experience in brand building and management, product development, retail and sales management. Accordingly, through her dedicated strong management experience and capabilities, the nomination committee considers she is beneficial to the growth and management of the business of the Group.

Mr Peter WAN Kam To has served as Independent Non-executive Directors for more than nine years. He is not involved in the day to day management of the Company and there is no evidence indicating his tenure with the Company has had any impact on his independence. The nomination committee considers that he remains independent notwithstanding his length of service and is not aware of any circumstance that will interfere with his exercise of independent judgment and he will continue to contribute effectively to the Board. Furthermore, he is beneficial to the Board with diversity of his comprehensive experience that contributes to invaluable expertise, continuity and stability to the Board and the Company has benefited from his contribution and valuable insights.

The nomination committee of the Company assessed and reviewed the annual written confirmation of independence of Mr Peter WAN Kam To for the year ended 31 March 2021 and considered that he satisfied all the independence criteria set out in Rule 3.13 of the Listing Rules.

Having regard to the board diversity policy and nomination policy adopted by the Company, the nomination committee recommended re-election of the aforesaid retiring Directors to the Board. Accordingly, the Board has proposed that each of the above retiring Directors, namely Ms Peggy LEE and Mr Peter WAN Kam To stands for re-election as Director by way of separate resolution at the AGM.

Details of the retiring Directors proposed to be re-elected at the AGM as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 4. ADOPTION OF THE NEW SHARE OPTION SCHEME

The 2011 Share Option Scheme was adopted by the Company on 7 September 2011 and will expire on 6 September 2021. The Board proposes the adoption of the New Share Option Scheme so as to continue providing incentives or rewards to the Eligible Person thereunder for his/her contributions to the success of the Group.

Upon expiration of the 2011 Share Option Scheme, no further options will be granted thereunder. However, the rules of the 2011 Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its expiration or otherwise as may be required in accordance with the rules of the 2011 Share Option Scheme. Options granted under the 2011 Share Option Scheme prior to such expiration will continue to be valid and exercisable in accordance with the rules of 2011 Share Option Scheme.

As at the Latest Practicable Date, 11,220,000 options had been granted under the 2011 Share Option Scheme, of which 5,184,000 (representing approximately 4% of the issued shares capital of the Company as at the Latest Practicable Date) were not exercised and will continue to be valid and exercisable in accordance with the rules of 2011 Share Option Scheme. Accordingly, the number of outstanding options granted and yet to be exercised under the 2011 Share Option Scheme did not exceed 38,865,834 Shares, being 30% of the issued share capital of the Company as at the Latest Practicable Date. At present and up to the date on which the New Share Option Scheme comes into effect, the Company has no intention to grant further options under the 2011 Share Option Scheme. As at the Latest Practicable Date, save for the 2011 Share Option Scheme, the Company did not adopt other schemes governed by Chapter 17 of the Listing Rules.

Similar to the 2011 Share Option Scheme, the New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the Board may, at its discretion, fix any minimum period for which an Option must be held, any performance targets that must be achieved and/or any other conditions (including the Subscription Price) that must be fulfilled before an Option can be exercised. Save for (i) enabling electronic communications between the Company and the Eligible Person, (ii) updating the definition of qualifying grantee to include only Eligible Person; and (iii) other necessary modifications and/or amendments to reflect the current provisions of the Listing Rules and for clarity and consistency with other provisions of the New Share Option Scheme where it is considered desirable, no other material amendments have been made to the New Share Option Scheme.

The Directors consider that it is not appropriate to disclose the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of such value have not been determined at this stage. Such variables include but not limited to the exercise price, exercise period, lock-up period (if any). The Directors believe that any calculation based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

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## LETTER FROM THE BOARD

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The New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to (i) adopt the New Share Option Scheme; (ii) to authorize the Directors to grant the Options; and (iii) to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of any Options; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Shares to be issued pursuant to the New Share Option Scheme.

At the AGM, an ordinary resolution will be proposed for approving the adoption of the New Share Option Scheme. Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the New Share Option Scheme.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme will be available for inspection at the head office and principal place of business of the Company at 2nd Floor, TRP Commercial Centre, 18 Tanner Road, North Point, Hong Kong, during normal business hours on any Business Day from the date of this circular to and including the date of the AGM and adjournment thereof (as the case may be).

### **5. ADOPTION OF CHINESE NAME AS SECONDARY NAME**

The Board proposes to put forward to the Shareholders a proposal to adopt and register the Chinese name “大快活集團有限公司” as the secondary name of the Company which is currently used by the Company for identification purpose only.

#### **Conditions for the Adoption of Chinese Name as Secondary Name**

The proposed Adoption of Chinese Name as Secondary Name is subject to the following conditions:

- (a) the passing of a special resolution by the Shareholders at the AGM to approve the proposed Adoption of Chinese Name as Secondary Name; and
- (b) the Registrar of Companies in Bermuda approving the proposed Adoption of Chinese Name as Secondary Name.

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## LETTER FROM THE BOARD

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Subject to the satisfaction of the conditions set out above, the proposed Adoption of Chinese Name as Secondary Name will take effect from the date of entry of the secondary name of the Company on the register of companies together with the primary name maintained by the Registrar of Companies in Bermuda and issuing a certificate of secondary name. The Company will carry out all necessary registration and/or filing procedures with the Registrar of Companies in Bermuda and the Companies Registry in Hong Kong.

### **Reason for the Adoption of Chinese Name as Secondary Name**

The Board considers that the proposed Adoption of Chinese Name as Secondary Name will improve the Company's corporate image while facilitating the Company's future development, particularly in the Mainland China, and is in the best interest of the Company and the Shareholders as a whole.

### **Effect of the Adoption of Chinese Name as Secondary Name**

The proposed Adoption of Chinese Name as Secondary Name will not, of itself, affect any of the rights of the Shareholders. All existing share certificates of the Company bearing the existing name of the Company will, after the proposed Adoption of Chinese Name as Secondary Name has become effective, continue to be evidence of legal title to the Shares and valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for free exchange of existing share certificates of the Company for new share certificates bearing the primary and secondary names of the Company. Upon the proposed Adoption of Chinese Name as Secondary Name becoming effective, the Shares will be traded on the Stock Exchange under the existing English name and the secondary name and the Board intends to adopt a Chinese stock short name for the Company correspondingly.

Further announcement(s) will be made by the Company to inform the Shareholders of, among other things, the effective date of the proposed secondary name of the Company and the adoption of a corresponding Chinese stock short name for trading of the Shares on the Stock Exchange as and when appropriate.

## **6. AGM**

The AGM Notice is set out on pages 27 to 31 of this circular. At the AGM, in addition to the ordinary business to be transacted, resolutions will be proposed to approve, *inter alia*, the granting of the Issue Mandate and the Buy-back Mandate, the extension of the Issue Mandate by the addition thereto of the aggregate number of the Shares bought back by the Company pursuant to the Buy-back Mandate, the re-election of the retiring Directors and the adoption of New Share Option Scheme, together with the Adoption of Chinese Name as Secondary Name.

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## LETTER FROM THE BOARD

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A proxy form for use at the AGM is enclosed herewith. Whether or not you are able to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business in Hong Kong at 2nd Floor, TRP Commercial Centre, 18 Tanner Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting at the AGM and any adjournment thereof (as the case may be) in person should you so wish.

### **7. VOTING AT THE AGM**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll, except where the chairman of the meeting, 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. The chairman of the AGM will therefore demand poll voting for each of the resolutions set out in the AGM Notice.

None of the Shareholders is required to abstain from voting at the AGM pursuant to the Listing Rules.

The results of the poll will be published by way of an announcement on the respective websites of the Company ([www.fairwoodholdings.com.hk](http://www.fairwoodholdings.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

### **8. RECOMMENDATION**

The Board considers that all the proposed resolutions as set out in the AGM Notice are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### **9. RESPONSIBILITY STATEMENT**

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

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## LETTER FROM THE BOARD

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### 10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Buy-back Mandate), Appendix II (Details of the Directors to be re-elected at the AGM) and Appendix III (Summary of the Principal Terms of the New Share Option Scheme) to this circular. The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

Yours faithfully  
By Order of the Board  
**Dennis LO Hoi Yeung**  
*Executive Chairman*

This Appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide requisite information to the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Buy-back Mandate.

### **1. SHARE BUY-BACK RULES**

All shares buy back on the Stock Exchange by the Company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders, either by way of a general mandate or by a specific resolution in relation to specific transactions.

The Shares proposed to be bought back must be issued and fully paid up. A maximum of 10% of the issued share capital at the date of passing the resolution authorising the buy-back may be bought back on the Stock Exchange.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue was 129,552,780.

Subject to the passing of the relevant ordinary resolution for the grant of the Buy-back Mandate as set out in the AGM Notice and on the basis that no outstanding options of the Company are exercised and no further Shares are issued, allotted or bought back by the Company during the period between the Latest Practicable Date and the date of the AGM, the Company would be authorised under the Buy-back Mandate to buy back up to a maximum of 12,955,278 Shares, being 10% of the total number of Shares in issue as at the date of the AGM.

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

The Directors believe that it is in the best interest of the Company and the Shareholders as a whole to have the Buy-back Mandate from the Shareholders to enable the Company to buy back the Shares in the market. The Buy-back Mandate will give the Directors more flexibility to make share buy back beneficial to the Shareholders when there are suitable circumstances.

Depending on stock market conditions and funding arrangements at the time, such buy-back of Shares may enhance the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such buy-back of Shares will benefit the Company and the Shareholders as a whole.

### **4. FUNDING OF BUY-BACK**

Buy-back of Shares must be funded out of funds of the Company legally available for such purpose in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda, including capital paid up on the Shares to be bought back, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

In the event that the Buy-back Mandate is to be exercised in full at any time during the proposed buy-back period, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position as disclosed in the latest published audited financial statements of the Company as at 31 March 2021. However, the Directors do not propose to exercise the Buy-back Mandate, if so approved, to such an extent as would, in the circumstances, have a material adverse impact 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.

## **5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the relevant ordinary resolution for the grant of the Buy-back Mandate as set out in the AGM Notice in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

None of the Directors, nor to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective close associates, has any present intention, in the event that the Buy-back Mandate is granted by the Shareholders, to sell Shares to the Company.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Buy-back Mandate is granted by the Shareholders.

## **6. TAKEOVERS CODE**

If on the exercise of the power to buy back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

As a result, a Shareholder or group of Shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

To the best knowledge and belief of the Company, as at the Latest Practicable Date, for the purpose of Part XV of the SFO, Mr Dennis LO Hoi Yeung, Mr LO Fai Shing Francis, Neblett Investments Limited and CFJ Holdings Limited (these companies are beneficially owned by two separate trusts of which Mr Dennis LO Hoi Yeung and Mr LO Fai Shing Francis are the discretionary objects) (the "Group of Shareholders"), collectively hold approximately 43.71% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to buy back Shares which is proposed to be granted pursuant to the Buy-back Mandate, then (assuming such shareholdings as at the Latest Practicable Date otherwise remain the same) the shareholdings of the Group of Shareholders would



be increased to approximately 48.56% of the issued share capital of the Company and such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. However, the Directors have no present intention to exercise the Buy-back Mandate to such an extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code or that the number of Shares in the hands of the public will fall below the prescribed minimum percentage as determined by the Stock Exchange.

## 7. PRICES OF SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2020</b>		
July	18.000	16.000
August	19.480	16.620
September	19.800	17.660
October	18.360	17.300
November	18.580	17.160
December	18.460	17.500
<b>2021</b>		
January	18.080	16.700
February	18.960	16.840
March	18.480	16.800
April	17.880	16.500
May	17.700	17.120
June	18.200	17.500
July (up to the Latest Practicable Date)	18.240	17.500

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

The Company did not buy back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The brief biographical particulars of the Directors proposed to be re-elected at the AGM are as follows:

**Ms Peggy LEE (“Ms Lee”)**, aged 50, has been an Executive Director since 2018.

Ms Lee obtained her MBA and Bachelor Degree in Marketing in the U.S.A.. She has over 20 years of experience in brand building and management, product development, retail and sales management across different industries. Prior to joining the Company, Ms Lee had held senior management positions with a number of well-known companies. Ms Lee joined the Company in February 2011 and was appointed Executive Director on 1 January 2018. She is also a director of various subsidiaries of the Company. Save as disclosed herein, Ms Lee did not hold any directorship in any other public listed companies in the last three years.

Ms Lee does not have any relationship with any Directors, senior management or substantial or controlling Shareholders.

As at the Latest Practicable Date, Ms Lee has interests in share options in subscribing 393,000 Shares and has interests in 402,000 Shares as beneficial owner. Save as disclosed herein, she has no other interests in the Shares within the meaning of Part XV of the SFO.

Ms Lee has a service contract with the Company which may be terminated by either party upon giving to the other party three months’ prior written notice. She shall be subject to retirement by rotation and re-election in accordance with the Bye-laws. Ms Lee is entitled to an annual salary of approximately HK\$2,234,000.00 and a discretionary bonus with reference to her duties and responsibilities with the Company. In addition, Ms Lee will be paid a director’s fee of HK\$150,000.00 per annum which was determined by the Board with reference to her duties and responsibilities with the Company and the prevailing market conditions.

Save as disclosed above, there is no information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Ms Lee.

**Mr Peter WAN Kam To (“Mr Wan”)**, aged 68, has been an Independent Non-executive Director since 2009. He is also the Chairman of the Audit Committee and a Member of the Nomination Committee of the Company.

Mr Wan is a Fellow Member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He was a partner of PricewaterhouseCoopers Hong Kong & China firm with extensive experience in auditing, finance, advisory and management.

Mr Wan is currently an Independent Non-executive Director of several companies listed on the Stock Exchange, namely A-Living Smart City Services Co., Ltd. (formerly known as “A-Living Services Co., Ltd.”), China Resources Land Limited, Haitong International Securities Group Limited, KFM Kingdom Holdings Limited and Target Insurance (Holdings) Limited while holding the position of Independent Director of China World Trade Centre Co., Ltd. which is listed on the Shanghai Stock Exchange.

Mr Wan is the Treasurer and Council Member of the Open University of Hong Kong. He is also the Non-executive Director of the Financial Reporting Council.

Mr Wan was an Independent Non-executive Director of Harbin Bank Co., Ltd. until 8 October 2019, Huaneng Renewables Corporation Limited until 28 June 2019, Kerry Logistics Network Limited until 31 May 2019 and Shanghai Pharmaceuticals Holding Co., Ltd. until 27 June 2019 which are listed on the main board of the Stock Exchange. Save as disclosed herein, Mr Wan did not hold any directorship in any other public listed companies in the last three years.

Mr Wan does not have any relationship with any Directors, senior management or substantial or controlling Shareholders nor hold any other position with the Company or other members of the Group.

As at the Latest Practicable Date, Mr Wan did not have any interests in the Shares within the meaning of Part XV of the SFO.

Except for a service contract with the Company renewing the appointment of Mr Wan as an Independent Non-executive Director, there is no other service contract entered into by the Company with Mr Wan. He has been appointed for a fixed term of three years commencing on 1 September 2018 and subject to retirement by rotation and re-election in accordance with the Bye-laws. During the fixed term of three years, either the Company or Mr Wan may terminate the appointment by giving to the other three months’ prior written notice. Mr Wan is also the chairman of Company’s Audit Committee and a member of Company’s Nomination Committee. He will be paid a director’s fee of HK\$150,000.00 per annum, a fee of HK\$80,000.00 per annum as the chairman of Audit Committee and a fee of HK\$10,000.00 per annum as a member of the Nomination Committee. The amounts of fee were determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market conditions.

Save as disclosed above, there is no information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr Wan.

The following is a summary of the principal terms of the New Share Option Scheme which is proposed to be approved at the AGM:

**1. PURPOSE**

The purpose of the New Share Option Scheme is:

- (a) to attract and retain the best quality personnel for the development of the businesses of the Company;
- (b) to provide incentives or rewards to Eligible Persons; and
- (c) to promote the long-term financial success of the Company by aligning the interests of Option Holders to Shareholders.

**2. WHO MAY JOIN**

On and subject to the terms of the New Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an Option to any Eligible Person as it may at its absolute discretion select.

**3. ADMINISTRATION**

The New Share Option Scheme shall be subject to the administration of the Board whose decision shall (save as otherwise provided herein) be final and binding. The Board's powers include the authority, in its discretion:

- (a) to select Eligible Persons to whom Options may be granted hereunder;
- (b) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of Options;
- (c) to determine the number of Options to be granted to the Eligible Person;
- (d) to approve forms of option agreements setting out the terms on which particular Options are granted;
- (e) to determine the terms and conditions, not inconsistent with the terms of the New Share Option Scheme and provided that such terms and conditions do not relax any limits imposed by the Listing Rules, of any Option based in each case on such factors as the Board, in its sole discretion, shall determine to be stated in the Offer Letter;
- (f) to construe and interpret the terms of the New Share Option Scheme and Options granted pursuant to the New Share Option Scheme;

- (g) to prescribe, amend and rescind rules and regulations relating to the New Share Option Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Eligible Persons provided that administration of any such sub-schemes shall follow the requirements of the Listing Rules; and
- (h) subject to other provisions of the New Share Option Scheme, to vary the terms and conditions of any option agreement (provided that such variation is not inconsistent with the Listing Rules and the terms of the other provisions of the New Share Option Scheme).

#### **4. GRANT OF OPTIONS**

On and subject to the terms of the New Share Option Scheme and the Listing Rules, the Board shall be entitled at any time within ten (10) years commencing on the date the New Share Option Scheme is adopted by the Company to make an offer for the grant of Option to such Eligible Persons as the Board may in its absolute discretion select.

The Company may not grant any options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the results for any year, half-year, quarterly or any other interim period of the Company (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

#### **5. ACCEPTANCE OF OFFER FOR THE GRANT OF OPTIONS**

An offer of the grant of an Option shall have been accepted when (a) (where applicable) the duplicate letter; and/or (b) the Acceptance Form of the Option has been duly signed by the Eligible Person in such form and format as specified in the offer letter (the "Offer Letter"), together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable. If such remittance is not enclosed, the Acceptance Form shall create a promise by the relevant Eligible Person to pay to the Company HK\$1.00 on demand.

**6. SUBSCRIPTION PRICE**

The Subscription Price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of its grant (and shall be stated in the Offer Letter), provided that it shall not be less than whichever is the highest of (a) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares in the daily quotation sheets of the Stock Exchange for the five (5) Business Days immediately preceding the date of grant; and (c) the nominal value of a Share.

**7. OPTION PERIOD**

The period during which the Option may be exercised shall be determined by the Board in its sole discretion and stated in the Offer Letter and may be varied by the Board in accordance with the terms of the New Share Option Scheme, but shall not under any circumstances exceed ten (10) years from the date of grant of the relevant Option.

**8. RIGHTS ARE PERSONAL TO THE OPTION HOLDER**

An Option shall be personal to the Option Holder and shall not be assignable or transferable. Unless otherwise provided, the Options themselves shall have no right to vote at general meetings of the Company, or any dividend, distribution or other rights.

**9. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Bye-laws and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company.

**10. RIGHTS ON DEATH OR TOTAL PERMANENT PHYSICAL OR MENTAL  
DISABILITY**

If an Option Holder ceases to be an Eligible Person by reason of his death or total permanent physical or mental disablement, he or his personal representative (as the case may be) may exercise the Option within such period of time as is specified in the option agreement (but in no event later than the expiration of the term of such Option as set forth in the option agreement). In the absence of a specified time in the option agreement, the Option shall remain exercisable for 12 months (or

such longer period as the Board shall decide) after the relevant Option Holder ceases to be an Eligible Person as above stated. If the Option is not so exercised within the time specified above, the Option shall lapse.

#### **11. TERMINATION FOR MISCONDUCT OR CAUSE OR ON RESIGNATION OR RETIREMENT**

If an Option Holder ceases to be an Eligible Person for Misconduct or Cause or by reason of resignation of his or her own accord or retirement under normal retirement conditions then prevailing in the Company, the Option shall immediately lapse.

#### **12. RIGHTS ON CESSATION FOR OTHER REASONS**

If an Option Holder ceases to be an Eligible Person in circumstances other than those described in paragraphs 10 or 11 then, unless otherwise provided in the option agreement, an Option Holder may exercise the Option within one (1) month of such cessation (or such longer period as the Board shall decide, but in no event later than the expiration of the term of such Option as set forth in the option agreement) following which the Option shall lapse.

#### **13. RIGHTS ON GENERAL OFFER**

If a takeover offer by way of a general offer is made to all holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and such offer becomes or is declared unconditional, all Options shall lapse on the expiry of 14 days (or such longer period as the Board shall decide) after the date on which the offer becomes or is declared unconditional.

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

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with any other company or companies or privatization of the Company (including a takeover offer by way of a scheme of arrangement), all Options shall lapse upon such compromise, scheme or arrangement becoming effective.

#### **15. RIGHTS ON VOLUNTARY WINDING-UP OF THE COMPANY**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof in such form or means as the Board prescribes from time to time to all Option Holders (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Option Holder shall be entitled to exercise all or any of his Options (to the extent that have already become exercisable but not yet exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in

writing to the Company in such form or means as the Board prescribes from time to time, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Option Holders credited as fully paid. If the Option is not exercised within the time specified, the Option shall lapse.

#### **16. LAPSE OF OPTION**

Subject to the discretion of the Board to extend the period within which the Option may be exercised as referred to in paragraphs 3, 10, 12, 13 and 20, and without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse in any option agreement, an Option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of (a) the expiry of the period within which the Option may be exercised; (b) the expiry of any of the periods referred to in paragraphs 10 to 15; and (c) the date on which the Board certifies that for the reason of a breach of paragraph 8, and the Option should be cancelled accordingly.

#### **17. CANCELLATION OF OPTIONS**

Options granted but not exercised or lapsed in accordance with the terms of the New Share Option Scheme may be cancelled by the Company with the approval of the Option Holders. Where the Company cancels Options and issues new ones to the same Option Holder, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraphs 18(a) to (d).

#### **18. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

##### **(a) Overriding Limit**

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in this limit being exceeded.

##### **(b) Mandate Limit**

In addition to the limit set out in paragraph 18(a) and prior to the approval of a Refreshed Mandate Limit (as defined below), the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme, being 12,955,278 Shares (the “Initial



Mandate Limit”). Options lapsed in accordance with the terms of the New Share Option Scheme or any other schemes of the Company will not be counted for the purpose of calculating the 10% limit.

If the Company conducts a share consolidation or sub-division after the 10% limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all Options to be granted under all of the schemes of the Company (including the Scheme) under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same.

**(c) Refreshing of Mandate Limit**

The Company may by ordinary resolution of the Shareholders refresh the mandate limit. However, the total number of Shares which may be issued upon exercise of all options to be granted under all the schemes of the Company under the limit as refreshed (the “Refreshed Mandate Limit”) must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

**(d) Limit for each Option Holder**

Unless approved by the Shareholders in general meeting with the relevant Option Holder and his close associates (or his associates if the Option Holder is a connected person) abstaining from voting, the total number of Shares issued and to be issued upon exercise of Options (whether exercised or outstanding) granted in any 12-month period to each Option Holder must not exceed 1% of the Shares in issue. If the Shareholders approve in general meeting the grant of Options to an Option Holder in excess of such limit, the date of the board meeting for proposing the further grant (which is made subject to such approvals set out above) shall be taken as the commencement date for such grants.

**(e) Grant to substantial Shareholder and independent non-executive Director**

Insofar and for so long as the Listing Rules so require, no Option may be granted to any substantial Shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all Options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the New Share Option Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of the offer:

- (i) representing in aggregate over 0.1% of the issued share capital of the Company in issue; and

- (ii) having an aggregate value, based on the closing price of the Shares at the date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such further grant, in excess of HK\$5 million,

unless such further grant is approved by the Shareholders in general meeting. At such general meeting, the grant of Options to the substantial Shareholder or independent non-executive Director, or any of their respective associates, for so long and insofar as the Listing Rules so require, be approved by the Shareholders by way of poll with the grantee, his associates and all core connected persons of the Company abstaining from voting, except that any core connected person may vote against such resolution provided that he has informed the Company of his intention to do so and such intention has been stated in the relevant circular to the Shareholders.

The date of the Board meeting for proposing the further grant (which is made subject to such approvals set out in this sub-paragraph) should be taken as the commencement date for such grants.

In addition, for so long and insofar as the Listing Rules so require, any variation in the terms of Option granted to an Option Holder who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders in general meeting with such grantee, his associates and all core connected persons of the Company abstaining from voting.

**(f) Adjustment to maximum number**

Provided that any such adjustments shall satisfy the requirements set forth in Rule 17.03(13) of the Listing Rules and/or the note thereto and any applicable or future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time, the maximum number of Shares referred to in this paragraph 18 will be adjusted in such manner as the auditors of the Company or an independent financial adviser shall certify to be appropriate in the event of any alteration in the capital structure of the Company, whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, subdivision or reduction of the share capital of the Company or otherwise howsoever.

**19. EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE**

Subject to paragraph 18(b) and this paragraph 19, in the event of any alteration in the capital structure of the Company whilst any Option may remain exercisable, whether by way of a capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, sub-division, reduction or similar reorganisation of the share capital of the Company, such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the maximum number of Shares referred to in paragraph 18,

as the auditors of the Company or an independent financial adviser shall certify in writing to the Board either generally or as regards any particular Option Holder to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that:

- (i) any such alterations shall be made on the basis that the aggregate Subscription Price payable by an Option Holder on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) it was before such event;
- (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and
- (iii) no such alterations shall be made the effect of which would be to increase the proportion of the issued share capital of the Company for which any Option Holder is entitled to subscribe pursuant to the Options held by him.

For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

If there has been any alteration in the capital structure of the Company as referred to above, the Company shall inform each Option Holder of such alteration and inform the Option Holder of the adjustment (if any) to be made in accordance with the certificate of the auditors of the Company or an independent financial adviser obtained by the Company for such purpose. In giving such certificate, the auditors of the Company or the independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Option Holder.

**20. ALTERATION TO THE NEW SHARE OPTION SCHEME**

- (a) Subject to paragraph (b) below, the New Share Option Scheme may be altered by resolution of the Board except that certain provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Eligible Persons or prospective Eligible Persons except with prior approval of the Shareholders in general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, and any change to the terms of the Options granted, shall be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Subject to the compliance with the Listing Rules and the terms of the New Share Option Scheme, the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an option agreement on compassionate or any other grounds.
- (d) The amended terms of the New Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Subject to paragraph (c) above, any change to the authority of the Board to alter the terms of the New Share Option Scheme shall be approved by the Shareholders.

**21. TERMINATION OF THE NEW SHARE OPTION SCHEME**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered after the New Share Option Scheme is terminated but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid.

**22. PERFORMANCE TARGET**

There is no specific performance target which must be achieved before an Option can be exercised. However, the Board may, at its discretion, fix any performance targets that must be achieved before an Option can be exercised.

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## NOTICE OF ANNUAL GENERAL MEETING

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### FAIRWOOD HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 52)



**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “Meeting”) of Fairwood Holdings Limited (the “Company”) will be held at Conference Room, 2nd Floor, TRP Commercial Centre, 18 Tanner Road, North Point, Hong Kong on Thursday, 9 September 2021 at 4:00 p.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the Directors and Independent Auditor for the year ended 31 March 2021.
2. To declare a final dividend.
- 3(i). To re-elect Ms Peggy LEE as Executive Director; and
- 3(ii). To re-elect Mr Peter WAN Kam To as Independent Non-executive Director.
4. To authorise the Board of Directors to fix the remuneration of the Directors.
5. To grant authority to the Board of Directors to appoint additional Directors up to the maximum number determined by the Shareholders.
6. To re-appoint KPMG as Auditor of the Company and to authorise the Board of Directors to fix their remuneration.
7. As special business to consider, and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of the subscription or conversion rights attaching to any warrants, convertible bonds or other securities issued by the Company which are convertible into shares of the Company, (iii) an issue of shares upon the exercise of subscription rights under any option scheme or similar arrangement of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of (aa) 20% of the number of issued shares of the Company as at the date of passing this Resolution plus (bb) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of issued shares of the Company bought back by the Company subsequent to the passing of this Resolution (up to a maximum number equivalent to 10% of the number of issued shares of the Company as at the date of passing such separate ordinary resolution), and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

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

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Company’s Bye-laws or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of ordinary shares of the Company on its register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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**B. “THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (which shall have the same meaning for the purpose of this Resolution, *mutatis mutandis*, as given in paragraph (d) of the resolution set out as Resolution 7A in the notice of this Meeting) of all powers of the Company to buy back shares of par value of HK\$1.00 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under The Codes on Takeovers and Mergers and Share Buy-backs, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the aggregate number of shares which may be bought back by the Company pursuant to the approval in paragraph (a) of this Resolution 7B during the Relevant Period shall not exceed 10% of the number of issued shares of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly.”

**C. “THAT** conditional upon the passing of the resolutions set out in Resolutions 7A and 7B in the notice of this Meeting, the Directors of the Company be and are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution 7A in the notice of this Meeting in respect of the number of issued shares of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

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

“**THAT** subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares to be issued and allotted by the Company under the proposed share option scheme of the Company (the “New Share Option Scheme”, a copy of which has been produced to the meeting marked ‘A’ and initialled by the chairman of the meeting for the purpose of identification):

- (a) the New Share Option Scheme be and is hereby approved and adopted as the Company’s share option scheme and the Directors of the Company be and are hereby authorized to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the New Share Option Scheme subject to the terms of the New Share Option Scheme and Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time); and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the Directors of the Company be and are hereby authorised to grant options to subscribe for Shares in accordance with the rules of the New Share Option Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the New Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors of the Company deem fit.”
9. As special business to consider, and if thought fit, pass with or without amendments, the following resolution as Special Resolution:

“**THAT** subject to and conditional upon the necessary approval of the Registrar of Companies in Bermuda being obtained, to adopt the Chinese Name “大快活集團有限公司” as the Secondary Name of Company with effect from the date of entry of the Secondary Name of the Company on the register maintained by the Registrar of Companies in Bermuda, and that the Directors and/or the Company Secretary of the Company be and are hereby authorized to do all such acts and things and execute such further documents and take all steps which, in their opinion may be necessary, desirable or expedient to implement and give effect to the aforesaid adoption of the Chinese Name as the Secondary Name of the Company and to attend to any necessary registration and/or filing for and on behalf of the Company.”

By Order of the Board  
**MAK Yee Mei**  
*Company Secretary*

Hong Kong, 30 July 2021

*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting may appoint one or more proxies to attend, and on a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof must be deposited at the head office and principal place of business of the Company at 2nd Floor, TRP Commercial Centre, 18 Tanner Road, North Point, Hong Kong not less than 48 hours before the appointed time for the holding the Meeting or any adjournment thereof (as the case may be).
3. In order to determine shareholders' entitlement to attend and vote at the Meeting, the Register of Members of the Company will be closed from Friday, 3 September 2021 to Thursday, 9 September 2021 (both days inclusive), during which period no transfer of shares will be registered. All completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 2 September 2021 for registration.
4. In order to determine shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will also be closed from Thursday, 16 September 2021 to Monday, 20 September 2021 (both days inclusive), during which period no transfer of shares will be registered. All completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 15 September 2021 for registration.



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## NOTICE OF ANNUAL GENERAL MEETING

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5. Concerning Resolution 3 above, the biographical details and interests in the shares of the Company of the Directors to be re-elected at the Meeting are set out in Appendix II to the circular of the Company dated 30 July 2021 (the “Circular”).
6. Concerning Resolutions 7A and 7C above, approval is being sought from members for a general mandate to authorise the allotment and issue of shares of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).
7. Concerning Resolution 7B above, approval is being sought from members for a general mandate to buy back shares of the Company under the Listing Rules. An Explanatory Statement setting out the terms and conditions upon which such power to be exercised is set out in Appendix I to the Circular.
8. Concerning Resolution 8 above, approval is being sought from members for adoption of the New Share Option Scheme of the Company. Summary of the principal terms of the New Share Option Scheme are set out in Appendix III to the Circular.
9. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at the Meeting must be taken by poll and the Company will announce the results of the poll on the respective websites of the Company ([www.fairwoodholdings.com.hk](http://www.fairwoodholdings.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).