
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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婚宴專門店
Wedding Banquet Specialist

PALACE BANQUET HOLDINGS LIMITED

首豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1703)

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

A notice convening the Annual General Meeting to be held at Shantung Room II, Level 8, Cordis, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong at 10:00 a.m. on Monday, 30 August 2021 is set out on pages 18 to 22 of this circular.

A form of proxy is enclosed with this circular.

Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed (i.e. Saturday, 28 August 2021 at 10:00 a.m.) for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form of proxy will not preclude you from subsequently attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish.

30 July 2021

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory 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 37.4 degrees Celsius will be denied entry into the AGM venue or be required to leave the AGM venue.
- (ii) The Company encourages attendees to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats. Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own masks.
- (iii) No corporate gifts will be distributed and no refreshments will be served.

To the extent permitted under law, the Company reserves the right 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 prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising 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 resolutions at the AGM instead of attending the AGM in person.

The proxy form is attached to the AGM Circular for Shareholders. Alternatively, the proxy form can be downloaded from the Company's website at www.palace-rest.com.hk and the website of the Stock Exchange (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 proxy.

If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company by means as follows:

Email: cfo@palacewedding.hk

Tel: 2834-8016

Fax: 2834-8012

DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held at Shantung Room II, Level 8, Cordis, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong at 10:00 a.m. on Monday, 30 August 2021 or any adjournment thereof, the notice of which is set out on pages 18 to 22 of this circular
“Articles of Association” or “Articles”	the articles of association of the Company, as amended and restated from time to time
“Board”	the board of Directors
“close associate(s)”	has the same meaning as defined under the Listing Rules
“Companies Act”	the Companies Act (2021 Revision), Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Palace Banquet Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1703)
“Controlling Shareholders”	Agile Valley Limited and Mr. Chan Shou Ming
“core connected person(s)”	has the same meaning as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	22 July 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase fully paid up Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	percent

LETTER FROM THE BOARD



婚宴專門店
Wedding Banquet Specialist

PALACE BANQUET HOLDINGS LIMITED 首灃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1703)

Executive Directors:

Mr. Chan Shou Ming (*Chairman*)
Ms. Chen Xiao Ping
Ms. Qian Chunlin

Independent non-executive Directors:

Mr. Lee Wai Man
Mr. Ng Kwok Tung
Mr. Tsang Hung Kei

Registered office:

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

*Head office and principal place of business
in Hong Kong:*

Unit 2, 14/F., Win Century Centre
No. 2A Mongkok Road
Kowloon
Hong Kong

30 July 2021

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting to enable you to make an informed decision on whether to vote for or against those resolutions. Resolutions to be proposed at the Annual General Meeting include, *inter alia*, the ordinary resolutions proposing (a) the grant of each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (b) the re-election of Directors.

LETTER FROM THE BOARD

PROPOSED GRANT OF ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of passing the relevant resolution. As at the Latest Practicable Date, a total of 1,150,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no further Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 230,000,000 Shares.

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate, i.e. a general and unconditional mandate to exercise the powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing the relevant resolution. In addition, an ordinary resolution will also be proposed, at the Annual General Meeting, that the Directors be granted the Extension Mandate i.e. a general and unconditional mandate to extend the Issue Mandate by an addition of an amount representing the number of such Shares repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or by any applicable laws of Cayman Islands to be held; or (c) revocation or variation by ordinary resolution(s) of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

According to Article 84(1) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but no less than one-third), shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

As such, Mr. Chan Shou Ming (“**Mr. Chan**”) and Mr. Ng Kwok Tung (“**Mr. Ng**”) shall retire by rotation from office at the Annual General Meeting. Each of them, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

LETTER FROM THE BOARD

In addition, Mr. Tsang Hung Kei (“**Mr. Tsang**”) and Mr. Lee Wai Man (“**Mr. Lee**”) who were appointed by the Board as Directors on 31 March 2021 and 14 July 2021, respectively shall hold office until the Annual General Meeting and, being eligible, will offer themselves for re-election in accordance with Article 83(3) of the Articles of Association.

Biographical information of each of the Directors proposed to be re-elected at the Annual General Meeting is set out in Appendix II to this circular.

The nomination committee of the Company (the “**Nomination Committee**”) when forming their recommendations on the proposals on re-election of Mr. Chan, Mr. Lee, Mr. Ng and Mr. Tsang, have taken into consideration factors such as the diversity policy of the Company, the perspectives, skills, experiences and the contributions of each of them. The Nomination Committee recommended to the Board that the re-election of Mr. Chan, Mr. Lee, Mr. Ng and Mr. Tsang be proposed to the Shareholders for approval at the Annual General Meeting.

Based on the Nomination Committee’s assessment and the written confirmation of independence provided by each of the independent non-executive Directors, Mr. Lee, Mr. Ng and Mr. Tsang satisfy the independence requirements under Rule 3.13 of the Listing Rules.

ACTIONS TO BE TAKEN

Set out on pages 18 to 22 of this circular is a notice convening the Annual General Meeting at which resolutions will be proposed to approve, among other matters, the following:

- (a) by way of ordinary resolution, the proposed grant of the Issue Mandate, Repurchase Mandate and Extension Mandate; and
- (b) by way of ordinary resolution, the proposed re-election of retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed (i.e. Saturday, 28 August 2021 at 10:00 a.m.) for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish. Such form of proxy for use at the Annual General Meeting is also published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.palace-rest.com.hk/announcement-circular.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules and Article 66 of the Articles of Association, all resolutions set out in the notice of the Annual General Meeting will be determined by voting by poll, except where the chairman of the Annual General 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 Annual General Meeting will explain the detailed procedures for conducting a poll at the Annual General Meeting. On a poll, 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 held.

After the conclusion of the Annual General Meeting, the poll results will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.palace-rest.com.hk.

RECOMMENDATIONS

The Directors consider that (a) the grant of the Issue Mandate, Repurchase Mandate and the Extension Mandate; and (b) the re-election of retiring Directors are in the best interests of the Company, the Group and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of the corresponding resolutions to be proposed at the Annual General Meeting respectively.

CLOSURE OF REGISTER OF MEMBERS

For determination of the entitlement to attend and vote at the Annual General Meeting, the transfer books and register of members will be closed from Tuesday, 24 August 2021 to Monday, 30 August 2021 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 23 August 2021.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:

- (i) the memorandum of association of the Company and the Articles; and
- (ii) this circular.

LETTER FROM THE BOARD

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.

GENERAL

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By order of the Board
Palace Banquet Holdings Limited
Mr. Chan Shou Ming
Chairman and Executive Director

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,150,000,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no Shares will be issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 115,000,000 Shares, representing 10% of the total number of issued shares of the Company as at the date of passing the resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) revoked or varied by an ordinary resolution of the Shareholders of the Company in a general meeting.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and Company's funding arrangements at the time, enable the Company to buy back the Shares on the Stock Exchange and can lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate will be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles of Association, the Companies Act, other applicable laws of the

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Cayman Islands and the Listing Rules. Under the Companies Act, repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Act, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 March 2021, being the date up to which its latest published audited consolidated financial statements were made, in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase 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.

6. SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
July	0.345	0.285
August	0.36	0.199
September	0.43	0.29
October	0.495	0.355
November	0.5	0.41
December	0.52	0.44
2021		
January	0.58	0.485
February	0.57	0.48
March	0.51	0.45
April	0.53	0.45
May	0.66	0.46
June	0.76	0.61
July (up to and including the Latest Practicable Date)	0.87	0.70

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

8. DIRECTORS, CLOSE ASSOCIATES AND CONNECTED PERSONS

To the best of their knowledge having made all reasonable enquiries, none of the Directors nor, any of their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) under the Repurchase Mandate if the same is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he or she or it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If as a result of a share repurchase made pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, substantial Shareholders having an interest of 5% or more in the issued share capital of the Company are as follows:

Name of substantial shareholder	<i>Note</i>	Nature of interest	Long/short position	Number of shares (ordinary shares)	Percentage
Agile Valley Limited	<i>1</i>	Beneficial owner	Long	662,500,000	57.61%
Mr. Chan Shou Ming	<i>1</i>	Interest in controlled corporation	Long	662,500,000	57.61%

Note:

- (1) Agile Valley Limited is 100% owned by Mr. Chan Shou Ming and he is deemed to be interested in all the Shares held by Agile Valley limited under the SFO.

Agile Valley Limited and Mr. Chan Shou Ming are the Controlling Shareholders.

If the Repurchase Mandate is exercised in full and assuming that there is no other change to the issued share capital of the Company and that none of Controlling Shareholders will acquire or dispose of any Shares after the Latest Practicable Date, the Controlling Shareholders will become interested in approximately 64.01% of the then issued share capital of the Company. On the above basis, such increase would not give rise to an obligation on the part of the Controlling Shareholders to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares held in the hands of the public falling below the prescribed minimum public float of 25%.

10. SHARE PURCHASE MADE BY THE COMPANY

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

The following sets out the respective details of the Directors, proposed to be re-elected at the Annual General Meeting:

EXECUTIVE DIRECTOR**Mr. Chan Shou Ming 陳首銘 (“Mr. Chan”)**

Mr. Chan (formerly known as Chan Wai Keung), aged 63, founded the Group in July 2006 and was appointed as the chairman and executive Director of the Company in June 2018. He is also one of the Controlling Shareholders. Mr. Chan is responsible for building and managing the brand image and overseeing the overall operations of our Group. He is also responsible for new business development and strategic planning of the Group.

Mr. Chan has close to 30 years of experience in the catering industry and is specialised in providing banquet services to the customers. Currently, he is the president of the Hong Kong Federation of Restaurants & Related Trades, honorary director of the Federation of Hong Kong Guangdong Community Organisation, director/vice-chairman of Pok Oi Hospital and honorary chairman of the World Master Chefs Association for Cantonese Cuisine.

Mr. Chan has entered into a service agreement with the Company for a term of three years commencing from 25 January 2019 which is renewable automatically thereafter until terminated by not less than three months’ notice in writing served by either party on the other or payment in lieu of notice. He is subject to the rotational retirement and re-election requirements at the general meetings of the Company pursuant to the Articles of Association. As at the Latest Practicable Date, he was entitled to an annual director’s fee of HK\$5,000,000, which was determined by the Board with reference to his duties, responsibilities, performance and the results of the Group.

Save as disclosed above, Mr. Chan did not hold any other position in the Group as at the Latest Practicable Date. In the three years preceding the Latest Practicable Date, Mr. Chan did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Chan was interested in 662,500,000 Shares, representing approximately 57.61% of the issued share capital of the Company. Save as disclosed above, Mr. Chan did not have any other interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Save as disclosed above, Mr. Chan was not related to any other Directors, senior management, substantial or Controlling Shareholders (as defined in the Listing Rules) of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. Ng Kwok Tung 伍國棟先生 (“Mr. Ng”)**

Mr. Ng, aged 70, was appointed as an independent non-executive Director of our Company in January 2019. He is also the chairman of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee.

Mr. Ng has over 42 years of experience in financial management and accounting.

In September 1977, Mr. Ng founded the accounting firm Tony Kwok Tung Ng & Co. and is currently a partner of the firm. Since November 1993, Mr. Ng has been serving Fountain Set (Holdings) Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 420), and is currently an independent non-executive director of the company. Mr. Ng served as an independent non-executive director of Wah Ha Realty Company Limited, a company listed on the Stock Exchange (stock code: 278) from 2001 to 2004 and has been subsequently redesignated as a non-executive director of the company since 2004.

Mr. Ng obtained from McGill University, Canada, his bachelor of commerce degree in June 1973 a licentiate in accountancy in June 1975. Mr. Ng also obtained his diploma in Chinese law from the University of East Asia, Macao, in October 1989. Mr. Ng was admitted as an associate of the Hong Kong Society of Accountants (currently known as HKICPA) in August 1976, a member of the Institute Of Chartered Accountants of British Columbia (currently known as the Chartered Professional Accountants of British Columbia) in March 1979, a member of the Order of Chartered Accountants of Quebec (currently known as the Order of Chartered Professional Accountants of Quebec) in January 1975, a member of The Canadian Institute of Chartered Accountants (currently known as the Chartered Professional Accountants of Canada) in January 1975, associate of the Taxation Institute of Hong Kong in September 1987, a member of The Society of Chinese Accountants and Auditors in August 2000 and a member of the Society of Registered Financial Planners in September 2002. Mr. Ng did not hold any other position in the Group as at the Latest Practicable Date.

Save as disclosed above and during the three years preceding the Latest Practicable Date, Mr. Ng did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Ng has been appointed by the Company for a term of three years commencing from 25 January 2019 which is renewable automatically thereafter until terminated by not less than one months' notice in writing served by either party on the other. He is subject to the rotational retirement and re-election requirements at the general meetings of the Company pursuant to the Articles of Association. As at the Latest Practicable Date, he was entitled to an annual director's fee of HK\$120,000, which was determined by the Board with reference to his duties, responsibilities, performance and the results of the Group.

As at the Latest Practicable Date, Mr. Ng did not have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO. Mr. Ng was not related to any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

There is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr. Ng that need to be brought to the attention of the Shareholders.

Mr. Tsang Hung Kei (曾鴻基) (“Mr. Tsang”)

Mr. Tsang, aged 50, was appointed as an independent non-executive Director of the Company on 31 March 2021. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee.

Mr. Tsang has more than 25 years of experience in financial management and reporting and corporate governance. He is a Fellow of the Association of Chartered Certified Accountants, a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Institute of Chartered Accountants in England and Wales. Mr. Tsang had years of working experience in an international accounting firm and is currently the chief financial officer of Pak Fah Yeow International Limited (stock code: 239), a company listed on the main board (the “**Main Board**”) of the Stock Exchange and an executive director of its major subsidiaries. Mr. Tsang is also an independent non-executive director of China Success Finance Group Holdings Limited (stock code: 3623) and Hua Yin International Holdings Limited (stock code: 989). Mr. Tsang was an independent non-executive director of China Wah Yan Healthcare Limited (stock code: 648) from July 2018 to January 2021. The issued shares of all three companies are listed on the Main Board. Mr. Tsang holds a bachelor’s degree in computer science and accounting at the University of Manchester, United Kingdom. Save as disclosed above, he did not hold any directorship in other listed public companies in the past three years.

Mr. Tsang has been appointed by the Company for a term of one year commencing from 31 March 2021 which is renewable automatically thereafter until terminated by not less than one months’ notice in writing served by either party on the other. He is subject to the rotational retirement and re-election requirements at the general meetings of the Company pursuant to the Articles of Association. As at the Latest Practicable Date, he was entitled to an annual director’s fee of HK\$120,000, which was determined by the Board with reference to his duties, responsibilities, performance and the results of the Group.

Mr. Tsang did not hold any other position in the Group as at the Latest Practicable Date. Save as disclosed above and during the three years preceding the Latest Practicable Date, Mr. Tsang did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Tsang did not have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO. Mr. Tsang was not related to any other Directors, senior management, substantial or Controlling Shareholders (as defined in the Listing Rules) of the Company.

There is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr. Tsang that need to be brought to the attention of the Shareholders.

Mr. Lee Wai Man (“Mr. Lee”)

Mr. Lee was appointed as an independent non-executive Director of the Company on 14 July 2021. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee.

Mr. Lee joined the Hong Kong Government as a civil servant in the early 1980s and served the community for over 37 years. During his service, he had been appointed as a Knowledge Management Champion and represented in a team that won the Most Admired Knowledge Enterprise Award in the Hong Kong, Asia and Global competitions. Mr. Lee possesses wide and abundant administrative and management experiences and holds a master degree of administrative leadership from the University of New England located in Australia. Between 2014 and 2017, Mr. Lee was appointed as a member of the Review of Sexual Offences Sub-Committee and the Causing or Allowing the Death of a Child or Vulnerable Adult Sub-committee of The Law Reform Commission of Hong Kong. Mr. Lee is at present the honorary chief executive officer of the UCESR Foundation Limited.

Mr. Lee has been appointed by the Company for a term of one year commencing from 14 July 2021 which is renewable automatically thereafter until terminated by not less than one months’ notice in writing served by either party on the other. He is subject to the rotational retirement and re-election requirements at the general meetings of the Company pursuant to the Articles of Association. As at the Latest Practicable Date, he was entitled to an annual director’s fee of HK\$120,000, which was determined by the Board with reference to his duties, responsibilities, performance and the results of the Group.

Mr. Lee did not hold any other position in the Group as at the Latest Practicable Date. Save as disclosed above and during the three years preceding the Latest Practicable Date, Mr. Lee did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Lee did not have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO. Mr. Lee was not related to any other Directors, senior management, substantial or Controlling Shareholders (as defined in the Listing Rules) of the Company.

There is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr. Lee that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



婚宴專門店
Wedding Banquet Specialist

PALACE BANQUET HOLDINGS LIMITED

首灃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1703)

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please refer to page 1 of the circular of the Company dated 30 July 2021 for the precautionary measures to be implemented at the Annual General Meeting by the Company to protect the attendees from the risk of infection of the Novel Coronavirus (“COVID-19”), including:

- compulsory body temperature check
- compulsory wearing of surgical face mask and maintain social distance
- no distribution of corporate gifts and no serving of refreshments

Any person who does not comply with the precautionary measures will be denied entry into the Annual General Meeting venue. The Company wishes to advise Shareholders that you may appoint the Chairman of the meeting as your proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Palace Banquet Holdings Limited (the “**Company**”) will be held at Shantung Room II, Level 8, Cordis, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong at 10:00 a.m. on Monday, 30 August 2021. to consider and, if thought fit, transact the following ordinary businesses:

ORDINARY RESOLUTIONS

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and auditor (the “**Auditor**”) of the Company for the year ended 31 March 2021;
2. to consider the re-election of the retiring Directors, each as a separate resolution, and to authorise the board (the “**Board**”) of Directors to fix the remuneration of the Directors; and

NOTICE OF ANNUAL GENERAL MEETING

3. to consider the re-appointment of SHINEWING (HK) CPA Limited as the Auditor of the Company and to authorise the Board to fix the remuneration of the Auditor;

and, as additional ordinary businesses, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

4. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and all other applicable laws, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company, and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of the aforesaid powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined in paragraph (d) below);
 - (ii) the exercise of any options granted under all share option scheme or similar arrangement adopted by the Company from time to time in accordance with the Listing Rules;
 - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (“**Articles of Association**”) of the Company and other relevant regulations in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

NOTICE OF ANNUAL GENERAL MEETING

shall not exceed the aggregate of (i) 20% of the total number of issued Shares as at the date of the passing of this resolution, and (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of issued Shares as at the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of 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 or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (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, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of; or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase the shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of 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 other applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares in the share capital of the Company pursuant to resolution numbered 5 above be and is hereby extended by the addition thereto of a number of Shares representing the total number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such number of shares so repurchased shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution.”

By order of the Board
Palace Banquet Holdings Limited
Chan Shou Ming
Chairman and Executive Director

Hong Kong, 30 July 2021

Head office and principal place of business in Hong Kong:
Unit 2, 14/F, Win Century Centre
No. 2A Mong Kok Road
Kowloon Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the meeting above is entitled to appoint in written form one or, if he/she is the holder of two or more Shares of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the above meeting, whether in person or by proxy, then one of the said persons so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office (“**Branch Registrar**”) of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed (i.e. Saturday, 28 August 2021 at 10:00 a.m.) for holding of the meeting or any adjournment thereof.
4. For the purpose of determining members who are qualified for attending the annual general meeting, the register of members of the Company will be closed from Tuesday, 24 August 2021 to Monday, 30 August 2021 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending the above meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Branch Registrar at the above address by no later than 4:30 p.m. on Monday, 23 August 2021.
5. In relation to resolution numbered 4 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares in the share capital of the Company. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the pre-IPO share option scheme and/or share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.
6. In relation to resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company.
7. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. As at the date of this notice, the executive Directors are Mr. Chan Shou Ming, Ms. Chen Xiao Ping, Ms. Qian Chunlin; and the independent non-executive Directors are Mr. Lee Wai Man, Mr. Ng Kwok Tung and Mr. Tsang Hung Kei.
9. If tropical cyclone warning signal no. 8 or above is hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is in force at 7:00 a.m. on Monday, 30 August 2021, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.