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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer 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 YUE KAN HOLDINGS LIMITED (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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YUE KAN HOLDINGS LIMITED

裕勤控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2110)

PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF RETIRING DIRECTORS, RE-APPOINTMENT OF AUDITOR AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of the Company to be held at Unit 1603–1604, 16/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Friday, 24 September 2021 at 10:00 a.m. or any adjournment or postponement thereof is set out on pages 16 to 20 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM, you are requested to complete and return the enclosed 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 or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment or postponement thereof (as the case may be) should you so desire and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of our Shareholders, staff and stakeholders, **the Company encourages Shareholders to 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, by completing and returning the form of proxy accompanying the Annual Report 2021 in accordance with the instructions printed thereon.

Shareholders and other persons attending the AGM should note that, consistent with the government guidelines for the prevention and control of COVID-19, the Company will implement precautionary measures to reduce the risk of contracting and spreading of COVID-19 at the AGM, including:

- (a) mandatory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue;
- (b) every Shareholder or proxy is required to wear a surgical face mask throughout the meeting;
- (c) no corporate gifts will be distributed;
- (d) no refreshments or drinks will be served;
- (e) limited capacity for AGM attendees; and
- (f) other safe distancing measures as appropriate.

For the safety of the attendees at the AGM, the Company reserves the right to deny entry to any person or require any person to leave the AGM venue if such person:

- (a) is having a body temperature of over 37.4 degrees Celsius;
- (b) refuses to comply with any of the above precautionary measures;
- (c) is subject to any Hong Kong Government’s prescribed quarantine; or
- (d) has any flu-like symptoms.

The Company seeks the understanding and cooperation of all Shareholders to minimise the risk of spreading COVID-19.

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EXPECTED TIMETABLE

Latest time for lodging transfer for entitlement to the right to attend and vote at the AGM	4:30 p.m. on Friday, 17 September 2021
Book close period (both days inclusive)	From Monday, 20 September 2021 to Friday, 24 September 2021
Proxy forms for the AGM to be returned by	10:00 a.m. on Wednesday, 22 September 2021
Record date for determination of entitlement to the right to attend and vote at the AGM	Friday, 24 September 2021
AGM	10:00 a.m. on Friday, 24 September 2021
Publication of poll results announcement	Friday, 24 September 2021
Register re-opens	Monday, 27 September 2021
Latest date of dealing in Shares cum entitlements to the final dividend	Tuesday, 28 September 2021
First date of dealing in Shares ex entitlements to the final dividend	Wednesday, 29 September 2021
Latest time for lodging transfer for entitlements to the final dividend	4:30 p.m. on Thursday, 30 September 2021
Book close period (both days inclusive)	From Monday, 4 October 2021 to Thursday, 7 October 2021
Record Date for determination of entitlements to the final dividend	Thursday, 7 October 2021
Register re-opens	Friday, 8 October 2021
Despatch of dividend cheques	Friday, 29 October 2021

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Unit 1603–1604, 16/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Friday, 24 September 2021 at 10:00 a.m., the Notice of AGM is set out on pages 16 to 20 of this circular
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time and “Article” shall mean an article of the Articles of Association
“Board”	the board of Directors
“close associate(s)”	has the same meaning ascribed to it under Listing Rules
“Company”	Yue Kan Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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 People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all power of the Company to allot, issue and otherwise deal with Shares of up to 20% of the issued share capital of the Company on the date of AGM as set out in resolution no. 4 of the Notice of AGM
“Latest Practicable Date”	15 August 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Date”	7 December 2020, the date on which dealings in the Shares first commenced on the Main Board of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Notice of AGM”	the notice convening the AGM set out on pages 16 to 20 of this circular
“Record Date”	Thursday, 7 October 2021, being the date for determination of entitlement to the proposed final dividend
“Register”	the register of members of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company on the date of AGM, as set out in resolution no. 5 in the Notice of AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs as approved by the Securities and Futures Commission of Hong Kong, as amended, modified or otherwise supplemented from time to time
“%”	per cent.

LETTER FROM THE BOARD



YUE KAN HOLDINGS LIMITED

裕勤控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2110)

Executive Directors:

Mr. Heung Che Kan (*Chairman*)

Ms. Lee Ming Chu Jade

Mr. Heung Yue Wing

Independent non-executive Directors:

Mr. Chiu Tai Shing

Mr. Fung Hoi Fung

Mr. Wan Wai Wing

Registered office:

PO Box 1350

Clifton House

75 Fort Street

Grand Cayman

KY1-1108

Cayman Islands

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

Rooms 2901-02, 29/F

Saxon Tower

7 Cheung Shun Street

Cheung Sha Wan

Kowloon

Hong Kong

24 August 2021

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
RE-APPOINTMENT OF AUDITOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to: (i) provide you with details of the proposed Issue Mandate and the proposed Repurchase Mandate and the extension of the Issue Mandate by

LETTER FROM THE BOARD

addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) furnish you with details of the proposed re-election of Directors; (iv) furnish you with details of re-appointment of auditor; and (v) provide you the Notice of AGM.

GENERAL MANDATE TO ISSUE SHARES

On 13 November 2020, an ordinary resolution was passed by the then sole Shareholder to give a general mandate to the Directors to exercise the powers of the Company to issue Shares. Such mandate will lapse at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed to grant to the Directors new general and unconditional mandate to allot, issue and otherwise deal with Shares of up to 20% of the total number of the issued Shares as at the date of passing of the relevant resolution.

In addition, a separate ordinary resolution will be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if so granted to the Directors at the AGM).

The Directors have no present intention to exercise the Issue Mandate or the Repurchase Mandate (if so granted to the Directors at the AGM).

The Issue Mandate allows the Company to allot, issue and otherwise deal with Shares only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the laws of the Cayman Islands; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company (the “**Relevant Period**”).

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,224,000,000 Shares. Subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the date of the AGM, the Directors would be authorised to allot, issue and otherwise deal with a maximum of 444,800,000 new Shares under the Issue Mandate, representing 20% of the total number of the issued Shares as at the date of the AGM.

GENERAL MANDATE TO REPURCHASE SHARES

On 13 November 2020, an ordinary resolution was passed by the then sole Shareholder to give a general mandate to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed to grant to the Directors new general and unconditional mandate to repurchase Shares of up to 10% of the total number of the issued Shares as at the date of passing of the relevant resolution. The Repurchase Mandate will allow the Company to make repurchases only during the Relevant Period.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,224,000,000 Shares. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the date of the AGM, the Company would be allowed to repurchase a maximum of 222,400,000 Shares under the Repurchase Mandate, representing 10% of the total number of the issued Shares as at the date of the AGM.

An explanatory statement required to be sent to the Shareholders under the Listing Rules is set out in Appendix I to this circular to provide the requisite information regarding the Repurchase Mandate to the Shareholders.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consisted of six Directors, namely:

Executive Directors

Mr. Heung Che Kan (*Chairman*)

Ms. Lee Ming Chu Jade

Mr. Heung Yue Wing

Independent non-executive Directors

Mr. Chiu Tai Shing

Mr. Fung Hoi Fung

Mr. Wan Wai Wing

In accordance with Article 108 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Further, according to Articles 111 and 112 of the Articles of Association, any Director appointed by the Board or by ordinary resolution in general meeting either to fill a causal vacancy or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company. Such Directors to retire at an annual general meeting of the Company shall not be taken into account in determining who are to retire by rotation at such annual general meeting.

At the AGM, Mr. Heung Che Kan (“**Mr. Sherman Heung**”) and Mr. Chiu Tai Shing (“**Mr. Chiu**”) will retire as Directors at the AGM. Each of Mr. Sherman Heung and Mr. Chiu, being eligible, will offer himself for re-election at the AGM as an executive Director and an independent non-executive Director, respectively, for a term of three years.

LETTER FROM THE BOARD

The nomination committee of the Company (the “**Nomination Committee**”) had reviewed the independence of Mr. Chiu and Mr. Chiu also submitted annual confirmation to the Company on his fulfillment of the independence guidelines set out in Rule 3.13 of the Listing Rules. After due consideration, the Board confirmed that Mr. Chiu continues to be considered as independent. Mr. Chiu had abstained from deliberation and decision in respect of assessment of his own independence.

The Company has in place a nomination policy (the “**Nomination Policy**”) which sets out, *inter alia*, the selection criteria (the “**Criteria**”) and the evaluation procedures in nomination candidates to be appointed or re-appointed as Directors of the Company. The re-appointment of each of Mr. Sherman Heung and Mr. Chiu was recommended by the Nomination Committee, and the Board has accepted the recommendations following a review of their overall contribution and service to the Company including their attendance of Board meetings and general meeting, the level of participation and performance on the Board, and whether they continue to satisfy the Criteria.

Biographical details of the retiring Directors are set out in Appendix II to this circular. In consideration of the background, specific knowledge and experience of Mr. Sherman Heung and Mr. Chiu, the Board believes that they could bring an invaluable insight, valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

RE-APPOINTMENT OF AUDITOR

Crowe (HK) CPA Limited will retire as the independent auditor of the Company at the AGM and, being eligible, offer themselves for re-appointment.

Upon the recommendation of the audit committee of the Company (the “**Audit Committee**”), the Board proposed to re-appoint Crowe (HK) CPA Limited as the independent auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on Friday, 24 September 2021. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 20 September 2021 to Friday, 24 September 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 September 2021 in order for the transferee to be entitled to attend and vote at the AGM (or any adjournment thereof).

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For the purpose of determining Shareholders who qualify for the final dividend, the Register will be closed from Monday, 4 October 2021 to Thursday, 7 October 2021, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 30 September 2021 in order for the transferee to be entitled to the final dividend.

AGM

A notice convening the AGM to be held at Unit 1603–1604, 16/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Friday, 24 September 2021 at 10:00 a.m. is set out on pages 16 to 20 of this circular.

A form of proxy for use by Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it 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 or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the AGM or any adjournment thereof (as the case may be) should you so desire and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions as set out in the notice convening the AGM will be voted by poll and, after being verified by the scrutineer, the results of the poll will be published in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATIONS

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors and re-appointment of auditor are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM and as set out in the Notice of AGM.

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.

By order of the Board
Yue Kan Holdings Limited
Heung Che Kan
Chairman and Executive Director

This appendix serves as an explanatory statement as required under the Listing Rules to provide the requisite information to the Shareholders for consideration of the Repurchase Mandate pursuant to Rule 10.06 of the Listing Rules.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,224,000,000 Shares. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of AGM, the Company will be allowed to repurchase a maximum of 222,400,000 Shares during the Relevant Period.

2. REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, the Directors believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that repurchase of Shares will benefit the Company and Shareholders as a whole.

3. SOURCE OF FUNDS

The Directors propose that the repurchase of Shares under the Repurchase Mandate would be financed from the Company's internal resources.

In repurchasing the Shares, the Company may only apply funds which are legally available for such purposes in accordance with the constitutional documents of the Company, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company will not purchase the Shares on Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during the period from the Listing Date to the Latest Practicable Date were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
December (from 7 December 2020)	0.192	0.094
2021		
January	0.195	0.1
February	0.157	0.121
March	0.14	0.12
April	0.164	0.126
May	0.145	0.128
June	0.133	0.124
July	0.141	0.122
August (up to the Latest Practicable Date)	0.142	0.131

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 repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association, the memorandum of association of the Company and the applicable laws of the Cayman Islands.

6. EFFECT OF THE TAKEOVERS CODE

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

As at the Latest Practicable Date, the following shareholders had interests representing 5% or more of the issued share capital of the Company:

Name	Capacity/Nature of interest	Number of Shares held (Note 1)	Approximate percentage of total issued Shares	
			As at the Latest Practicable Date	If Repurchase Mandate is exercised in full
Yue Hang Investment Limited	Beneficial owner	1,668,000,000	75%	83.33%
Mr. Heung Che Kan (Note 2)	Interested in a controlled corporation	1,668,000,000	75%	83.33%
Ms. Mok Man Yee Lisa (Note 3)	Interest of spouse	1,668,000,000	75%	83.33%

Notes:

- All interests stated are long positions.
- These 1,668,000,000 Shares are held by Yue Hang Investment Limited (“**Yue Hang**”). Mr. Heung Che Kan (“**Mr. Sherman Heung**”) legally and beneficially owns the entire issued share capital of Yue Hang. Therefore, Mr. Sherman Heung is deemed, or taken to be, interested in all the Shares held by Yue Hang for the purpose of the SFO. Mr. Sherman Heung is the sole director of Yue Hang.
- Ms. Mok Man Yee Lisa (“**Ms. Mok**”) is the spouse of Mr. Sherman Heung. Under the SFO, Ms. Mok is deemed to be interested in the same number of Shares in which Mr. Sherman Heung has, or is deemed to have, an interest for the purpose of the SFO.

On the basis of 2,224,000,000 Shares in issue as at the Latest Practicable Date and assuming there is no further issue or repurchases of Shares during the period from the Latest Practicable Date up to and including the date of AGM, if the Repurchase Mandate was exercised in full, the total number of the Shares which will be repurchased pursuant to the Repurchase Mandate shall be 222,400,000 Shares (being 10% of the total number of issued Shares as at the Latest Practicable Date) and the interests in the shareholding in the Company held by Yue Hang, Mr. Sherman Heung and Ms. Mok would be increased from 75% to approximately 83.33% of the issued Shares. Such increase would result in the aggregate number of Shares in the public hands being reduced to less than 25%. Any repurchase of the Shares which results in the number of the Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public float.

The Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

The Directors will not repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

7. DISCLOSURE OF INTERESTS OF DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

As at the Latest Practicable Date, none of the Directors nor, to the best of their respective knowledge and belief and having made all reasonable enquiries, their close associates (as defined under the Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company (i) has notified the Company that he/she/it has a present intention to sell any Shares; and (ii) has undertaken to the Company that he/she/it will not sell any Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

8. MATERIAL ADVERSE CHANGE

As compared with the financial position of the Company as at 31 May 2021 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

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 of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

9. SHARE REPURCHASE MADE BY THE COMPANY

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

The following are particulars of the Directors proposed to be re-elected at the AGM:

RE-ELECTION OF DIRECTORS

Mr. Heung Che Kan (向志勤) (“Mr. Sherman Heung”)

Mr. Sherman Heung, aged 66, is the chairman of the Company (the “Chairman”) and executive Director. Mr. Sherman Heung is responsible for the overall strategic management and development of the Group’s business operations. He was appointed as the Director on 24 May 2018 and re-designated as the Chairman and executive Director on 24 May 2019. Mr. Sherman Heung is also the chairman of the Nomination Committee. He has completed a Shipboard Cargo Handling Basic Safety Training Course and was awarded with a certificate of training in August 2016.

Mr. Sherman Heung possesses over 30 years of experience in marine construction works and other civil engineering works, accumulated from his employment and directorships in various construction and construction related companies. His experience dates back to 1984 when he, together with his business partners established his first construction company, namely, Geoworks Contractor (HK) Limited for the provision of construction services. As he gradually developed his experience, knowledge and connection in the industry, he, together with his business partners at the material time expanded their business over time and established various private companies from 1985 to 1991 to provide construction and related services which ranged from marine construction works, other civil engineering works, marine plant leasing and vessel leasing. Apart from his business establishment, Mr. Sherman Heung also worked for various construction companies where he participated in numerous construction projects.

Mr. Sherman Heung is the father of Mr. Heung Yue Wing, being an executive Director of the Company.

As at the Latest Practicable Date, Mr. Sherman Heung was deemed to be interested in 1,668,000,000 Shares held by Yue Hang, representing approximately 75% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Mr. Sherman Heung has entered into a director’s service agreement with the Company for a term of three years commencing on the Listing Date subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The director’s fee of Mr. Sherman Heung will be reviewed annually by the Board and by reference to the prevailing market practice, the Company’s remuneration policy and his experience, duties and responsibilities within the Company. For the year ended 31 May 2021, total remuneration paid to Mr. Sherman Heung amounted to HK\$1,440,000.

Save as disclosed above, Mr. Sherman Heung does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, as at the Latest Practicable Date, Mr. Sherman Heung does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Sherman Heung as an executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Mr. Chiu Tai Shing (邵大成) (“Mr. Chiu”)

Mr. Chiu, aged 69, was appointed as the independent non-executive Director on 13 November 2020. He is also a member of each of the Nomination Committee, Audit Committee and Remuneration Committee. Mr. Chiu is responsible for providing independent judgement and advising on the issue of strategy, performance, resources and standard of conduct of the Group.

In June 1976, Mr. Chiu obtained a degree of Bachelor of Applied Science from University of Toronto in Canada. He completed a course in the Estimating Technology II held by The Amalgamated Construction Association of British Columbia in April 1991 and the 1992 Certified Professional Course for Use and Occupancy Requirements at The University of British Columbia in July 1992. He further obtained a degree of Master of Science from The Chinese University of Hong Kong in December 2006. In September 2018, he further completed an executive program of Artificial Intelligence: Implications for Business Strategy at Massachusetts Institute of Technology, Sloan School of Management.

Mr. Chiu was registered as a professional engineer of Association of Professional Engineers of Ontario in February 1981 and as a professional engineer of The Association of Professional Engineers and Geoscientists of British Columbia in August 1992. He was then admitted as a certified professional of Union of British Columbia Municipalities in Canada in April 1993. Later on, he was admitted as a member of The Hong Kong Institution of Engineers and a member of National Fire Protection Association in March 2004 and September 2011, respectively. He was also appointed as a professional assessment assessor of The Hong Kong Institution of Engineers for the 2014/2015, 2015/2016 and 2017/2018 sessions.

Mr. Chiu has over 40 years of experience in the engineering and construction industry.

Mr. Chiu has entered into a director's service agreement with the Company for a term of three years commencing on the Listing Date subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The director's fee of Mr. Chiu will be reviewed annually by the Board and by reference to the prevailing market practice, the Company's remuneration policy and his experience, duties and responsibilities within the Company. For the year ended 31 May 2021, the total remuneration paid to Mr. Chiu amounted to HK\$66,000.

Save as disclosed above, Mr. Chiu does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chiu does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Chiu as an independent non-executive Director, there is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

NOTICE OF AGM



YUE KAN HOLDINGS LIMITED

裕勤控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2110)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of shareholders of Yue Kan Holdings Limited (the “**Company**”) will be held at Unit 1603–1604, 16/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Friday, 24 September 2021 at 10:00 a.m., to consider and, if thought fit, to pass with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 May 2021;
2. To re-appoint Crowe (HK) CPA Limited as auditor of the Company and to authorize the board of Directors to fix its remuneration;
3. (a) To re-elect Mr. Heung Che Kan as an executive Director and the board of Directors be authorised to fix his Director’s remuneration;
- (b) To re-elect Mr. Chiu Tai Shing as an independent non-executive Director and the board of Directors be authorised to fix his Director’s remuneration;
4. “**THAT:**
 - (a) Subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company or securities convertible into such Shares or options, warrants, or similar right to subscribe for any Shares or convertible securities of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF AGM

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional Shares) during or after the end of the Relevant Period;

- (c) the total number of Shares to be allotted 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 paragraphs (a) and (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any options granted under any share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible persons thereunder of shares or rights to subscribe for shares in the capital of the Company; (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part a dividend pursuant to the articles of association of the Company (the “**Articles of Association**”) from time to time; or (iv) an 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 of the Company, shall not exceed 20% of the total number of the issued Shares as at the time of passing this 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 Articles of Association or any applicable laws of the Cayman Islands to be held; or

 - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

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“**Rights Issue**” means an offer of Shares open for a period fixed by the Company or the Directors to holders of shares of the Company whose names appear on the register 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

5. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the share capital of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers to repurchase such shares are subject to and in accordance with all applicable laws and requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the total number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of the issued Shares as at the time of the passing of this 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 Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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6. “**THAT** conditional upon the passing of resolutions no. 4 and no. 5 as set out in this notice convening the Meeting of which this resolution forms part, the general mandate granted to the Directors pursuant to resolution no. 4 as set out in this notice convening the Meeting of which this resolution forms part be and is hereby extended by the addition thereto of the total number of Shares which may be repurchased by the Company under the authority granted pursuant to resolution no. 5 as set out in this notice convening the Meeting of which this resolution forms part, provided that such amount shall not exceed 10% of the total number of the issued Shares as at the date of passing this resolution.”
7. To declare a final dividend of 1.124 HK cents per share for the year ended 31 May 2021.

By order of the Board
Yue Kan Holdings Limited
Heung Che Kan
Chairman and Executive Director

Hong Kong, 24 August 2021

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the Meeting. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her/its attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised on its behalf.
3. Where there are joint registered holders of any Shares, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he/she/it was solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s branch registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to resolution no. 3, Mr. Heung Che Kan and Mr. Chiu Tai Shing will retire from office at the Meeting in accordance with the Articles of Association and, being eligible, will offer themselves for re-election. Biographical details of these Directors are set out in Appendix II to this circular.

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7. An explanatory statement as required by the Listing Rules in connection with the repurchase mandate under resolution no. 5 above is set out in Appendix I to this circular.
8. The transfer books and Register of Members of the Company will be closed from Monday, 20 September 2021 to Friday, 24 September 2021, both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 17 September 2021.
9. For the purpose of determining shareholders who qualify for the final dividend, the register of members of the Company will be closed from Monday, 4 October 2021 to Thursday, 7 October 2021, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 30 September 2021 in order for the transferee to be entitled to the final dividend.
10. If resolution no. 7 above is approved, the final dividend cheque will be despatched on Friday, 29 October 2021 to the shareholders of the Company entitled thereto.
11. A form of proxy for use by shareholders at the Meeting is enclosed.

As at the date of this notice, the executive Directors of the Company are Mr. Heung Che Kan (Chairman), Mr. Heung Yue Wing and Ms. Lee Ming Chu Jade; and the independent non-executive Directors of the Company are Mr. Chiu Tai Shing, Mr. Fung Hoi Fung and Mr. Wan Wai Wing.