

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

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

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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# **Liu Chong Hing Investment Limited**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 00194)**

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

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A letter from the Chairman of Liu Chong Hing Investment Limited is set out on pages 5 to 9 of this circular. A notice convening the Annual General Meeting (“AGM”) of Liu Chong Hing Investment Limited to be held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Thursday, 19 May 2022 was enclosed within the Company’s 2021 Annual Report. In light of the continuing risks posed by the COVID-19 pandemic, to ensure the health and wellbeing of the AGM attendees, public shareholders will be invited to attend the AGM by way of electronic means only (“**Online AGM**”) pursuant to Article 69 of the Articles of Association of the Company.

A form of proxy for use at the Online AGM is also enclosed. The form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.lchi.com.hk](http://www.lchi.com.hk)).

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

6 April 2022

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## GUIDANCE NOTES FOR THE ANNUAL GENERAL MEETING

### GUIDANCE NOTES FOR THE ANNUAL GENERAL MEETING

In light of the continuing risks posed by the COVID-19 pandemic, public shareholders will be invited to attend the AGM by way of electronic means only (“**Online AGM**”) pursuant to Article 69 of the Articles of Association of the Company.

No other Shareholder, proxy or corporate representative should attend the AGM in person. Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the meeting, any other person who attempts to do so will be excluded and will not be permitted entry to the venue of the AGM.

Both Registered Shareholders and Non-registered Shareholders can (i) attend the Online AGM and vote by way of electronic means; or (ii) exercise their right to vote at the Online AGM by appointing their own proxy or the Company’s designated proxy(ies), to act as their proxy.

By logging in the dedicated online platform <http://meetings.computershare.com/LchiAGM2022> (the “**Platform**”), Shareholders will be able to view a live webcast of the Online AGM, submit questions, and cast vote in real-time.

#### **Login Period**

The Platform will be opened for Registered Shareholders and Non-registered Shareholders to login 45 minutes prior to the commencement of the Online AGM. The Platform can be accessed from any location with internet connection by a smart phone, tablet device, or computer.

Shareholders should allow ample time to login to the Platform to complete the related procedures and remain logged in until the commencement of and during the Online AGM. The “Online Meeting User Guide” will be available on the Company’s website [www.lchi.com.hk](http://www.lchi.com.hk) around one week before the Online AGM to guide Shareholders through the login process.

#### **Login details for Registered Shareholders**

Login details for joining the Online AGM will be sent together with this circular.

#### **Login details for Non-registered Shareholders**

Non-registered Shareholders who wish to attend and vote at the Online AGM should (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominee Limited through which their shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the Online AGM, and (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary. Login details to access the Platform will be sent by Computershare to the email address of the Non-registered Shareholders provided by the Intermediary. Any Non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 12 p.m. on Wednesday, May 18, 2022 should reach out to Computershare for assistance. Without the login details, Non-registered Shareholders would not be able to attend and vote using the Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

## **GUIDANCE NOTES FOR THE ANNUAL GENERAL MEETING**

Registered and Non-registered Shareholders should note that only one device is allowed per login. Please also keep the login details in safe custody for use at the Online AGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.

For enquiries regarding the login details to access the Online AGM, please call Computershare at (852) 2862 8555 for assistance.

### **VOTING BY PROXY IN ADVANCE OF THE ONLINE AGM**

Shareholders are encouraged to submit their completed proxy forms well in advance of the Online AGM. Return of a completed proxy form will not preclude Shareholders from attending and voting at the Online AGM (or any adjournment thereof) should they subsequently so wish.

#### **Submission of proxy forms for Registered Shareholders**

A proxy form is enclosed with this circular. A copy of the proxy form can also be downloaded from the websites of the Company at [www.lchi.com.hk](http://www.lchi.com.hk) and The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk). Proxy form must be completed, signed and deposited either at the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or via email to [lchi.eproxy@computershare.com.hk](mailto:lchi.eproxy@computershare.com.hk), in each case, not less than 48 hours before the time for holding the Online AGM. The email address provided herein is merely for receiving proxy forms relating to the Online AGM and will not be in use after the deadline for depositing the proxy forms.

#### **Appointment of proxy for Non-registered Shareholders**

Non-registered Shareholders should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

If Shareholders have any enquiries pertaining to the arrangements for the Online AGM, or the registration process, please contact the Company's Share Registrar, Computershare Hong Kong Investor Services Limited as follows:

#### **Computershare Hong Kong Investor Services Limited**

17M Floor, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

Telephone: +852 2862 8555

Facsimile: +852 2865 0990

Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)

## DEFINITIONS

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

“AGM” or “Online AGM”	means the annual general meeting of the Company to be convened and held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Thursday, 19 May 2022;
“AGM Notice”	means the notice of the AGM set out on pages 133 to 140 of the Company’s 2021 Annual Report, for the Shareholders to consider, and if thought fit, to approve resolutions including but not limited to the general mandates to issue and buy back Shares;
“Articles of Association”	means the articles of association adopted by the Company, and as amended from time to time by resolution of the Shareholders;
“Board”	means the board of Directors or a duly authorised committee thereof;
“Buy-back Mandate”	means the proposed mandate to the Directors to buy back Shares pursuant to Ordinary Resolution No. 6 as set out in the AGM Notice in its present or any amended form;
“close associate”	shall have the meaning ascribed to it under the Listing Rules;
“Company”	means Liu Chong Hing Investment Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
“Core Connected Persons”	shall have the meaning ascribed to it under the Listing Rules;
“Directors”	means the directors (including Non-executive Director and Independent Non-executive Directors) of the Company;
“Group”	means the Company and its Subsidiaries for the time being;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	means 25 March 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	means Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

## DEFINITIONS

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



# Liu Chong Hing Investment Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 00194)

*Executive Directors:*

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

*Registered Office:*

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

*Non-executive Director:*

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

*Independent Non-executive Directors:*

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

Hong Kong, 6 April 2022

*To the Shareholders*

Dear Sir or Madam,

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

### **INTRODUCTION**

At the AGM, resolutions will be proposed:

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

## LETTER FROM THE CHAIRMAN

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

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

### RE-ELECTION OF DIRECTORS

The Board currently consists of 9 members, namely:

the following Executive Directors:

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

the following Non-executive Director:

- (d) Mr. Kho Eng Tjoan, Christopher

and the following Independent Non-executive Directors:

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

In accordance with Articles 105 & 106 of the Articles of Association, Mr. Liu Lit Chi, Mr. Au Kam Yuen, Arthur and Dr. Ma Hung Ming, John shall retire at the conclusion of the AGM and, being eligible, will offer themselves for re-election.

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

## LETTER FROM THE CHAIRMAN

### **GENERAL MANDATE TO BUY-BACK SHARES**

At the annual general meeting of the Company held on 20 May 2021, a general mandate was granted to the Directors to exercise the powers of the Company to buy-back Shares not exceeding 10% of the aggregate number of issued shares of the Company as at the date of the passing of the resolution granting such general mandate (equivalent to 37,858,344 Shares). Such general mandate will lapse at the conclusion of the AGM.

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

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

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

### **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 20 May 2021, a general mandate was granted to the Directors to exercise the powers of the Company to issue, allot and deal with such number of Shares not exceeding 20% of the aggregate number of the issued shares of the Company as at the date of the passing of the resolution granting such general mandate (equivalent to 75,716,688 Shares), and such general mandate was extended by adding to it the aggregate number of Shares bought back by the Company under the general mandate to buy back Shares granted to the Directors on the same date. Such general mandate to issue, allot and deal with Shares will also lapse at the conclusion of the AGM.

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

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

## LETTER FROM THE CHAIRMAN

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

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

### **ONLINE ANNUAL GENERAL MEETING**

The AGM Notice setting out, inter alia, the Ordinary Resolutions to grant the Buy-back Mandate, the Share Issue Mandate and the proposed extension of the Share Issue Mandate is enclosed within the Company's 2021 Annual Report. Shareholders are advised to read the AGM Notice and to complete and return the form of proxy which can be downloaded from the website of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.lchi.com.hk](http://www.lchi.com.hk)) for use at the AGM in accordance with the instructions printed thereon and deposit the same with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or via email to [lchi.eproxy@computershare.com.hk](mailto:lchi.eproxy@computershare.com.hk), in each case, not less than 48 hours before the time appointed for holding the Online AGM (or any adjournment thereof). The return of the completed proxy form will not preclude a Shareholder from attending and voting in person at the Online AGM should he/she so wishes.

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

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

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

### **RECOMMENDATION**

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

## LETTER FROM THE CHAIRMAN

### RESPONSIBILITY STATEMENT

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

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

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

**Mr. Liu Lit Chi**, aged 82, is the Chairman of the Board of the Company since 9 August 2017. Mr. Liu has been serving as the Managing Director and Chief Executive Officer of the Company since 26 February 2014. Mr. Liu has been an Executive Director of the Company since its incorporation in 1970. Mr. Liu also serves as the Chairman of Executive Management Committee and Nomination Committee of the Company. Mr. Liu was educated in Hong Kong and the United Kingdom. He is an uncle of Mr. Liu Kam Fai, Winston (Deputy Managing Director of the Company), as well as a member of the Liu's family, some of whose members are directors and senior management.

In addition to his directorship in the Company, Mr. Liu is a director of Abaleen Enterprises Limited; Alain Limited; Blossom Success Investments Limited; Bonsun Enterprises Limited; Bright Ocean Limited; China Link Technologies Limited; Chong Yip (Nominees) Limited; Choengmon Real Estate Company Limited; Chong Yip Finance Limited; Crown Mate Limited; Determined Resources Limited; Devon Realty Limited, Dolce Vita Concepts Holdings Limited; Donington Company Limited; Eagle Genesis Investments Limited; Easy Choice Investments Limited; Fancy Wealth Limited; Fortune Plus Investments Limited; Full Winner Corporation Limited; Glorious Prosperity Development Limited; Golden Harbour International Limited; Golden Infinity Limited; Good Sunshine Group Limited; Great Earnest Limited; Great Essential Holdings Limited; Harvest Gate Investments Limited; Harvest Mega Corporation Limited; Heng Kin Investment Limited; High Yield Investments Limited; Honour Speed Development Limited; Hospitality Concepts Holdings Limited; Hugh Glory Limited; Hugh Wealth International Limited; Jacot Limited; Joyce King Limited; Ko Yew Company Limited; Liu Chong Hing Estate Company, Limited; Liu Chong Hing Godown Company, Limited; Liu Chong Hing Property Management & Agency Limited; Long Castle Limited; Lord Duty Limited; Luxpolar Limited; One Eight One Lobby Cafe Limited; One-Eight-One Hospitality Management Limited; Premium Access International Limited; Queen Profit International Investment Limited; Rainbow Colour Development Limited; Real Epic Holdings Limited; Rich Sources Investments Limited; Richview Property Management Company Limited; Road To Glory Group Limited; Royal Best Investments Limited; Sino Pink Development Limited; Sky Rock International Limited; Speed World Investment Limited; Strong Zone International Limited; Supreme King International Limited; Supreme Stone Investments Limited; The Light F&B Concepts Limited; Top New Investment Limited; Top Team Limited; Trade Castle Limited; Trend Able Investments Limited; Truegrow Investments Limited; Wealth Bond Limited; Wealth Good Investment Limited; Well Road Investment Limited; Yue Tung Ching Kee Company Limited; Alba Holdings Limited; Alba Management Limited; Alba Securities & Investment Company Limited; Art Power Development Limited; Coming Success Limited; Good Income Limited; Grand Petroleum Co. Limited; Nam Tack Enterprises Limited; Time World Limited; Wise Fame Investment Limited; Liu's Holdings Limited; 上海黃浦廖創興房地產開發有限公司; 佛山南海貴隆房地產發展有限公司; 佛山南海凱隆房地產開發有限公司; 佛山市軒隆房地產開發有限公司; 馬鞍山高科磁性材料有限公司; 廣州愛寶置業諮詢有限公司; 廣州市貿滿房地產諮詢有限公司; 廣州市盈裕物業管理有限公司; 廣州市裕利物業管理有限公司 and 廣東安盛信息科技有限公司.

Save as disclosed above and as at the Latest Practicable Date, Mr. Liu did not hold any directorship in any other public listed companies in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Liu was interested in 209,197,000 shares in the Company (amounting 55.26% of its existing issued and fully paid share capital) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Liu will enter into a 3-year Director's service contract with the Company commencing from 19 May 2022. Mr. Liu will be subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles of Association of the Company. Mr. Liu is currently entitled to receive by way of annual remuneration and other benefits of approximately HK\$10,261,000. Besides, he has also received a director's fee of HK\$300,000 per year from the Company. Such Director's fee is determined by the Board with reference to Mr. Liu's duties and responsibilities, and is in line with Director's fees payable to other Executive Directors approved by the Company in general meeting by ordinary resolution under the Articles of Association. Save as disclosed above, (i) there are no other matters that need to be brought to the attention of the Company's shareholders; and (ii) there is no other information to be disclosed pursuant to the requirements provided for in Rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Au Kam Yuen, Arthur**, aged 82, was appointed an Independent Non-executive Director of the Company on 3 December 2012 and he also serves as a member of the Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Au studied Law in Sydney and London respectively. He was admitted as a solicitor in England in 1975 and in Hong Kong in 1976. He is a sole proprietor of Arthur Au & Co., a firm of solicitors established since 1979. Mr. Au is a Notary Public and was a member of the Notary Public Disciplinary Tribunal Panel. He is also a School Management Committee Member of the Clementi Secondary School. He now serves as legal adviser to the Association of Hong Kong Nursing Staff (previously named as the Association of Government Nursing Staff) and The New Territories North District Manufacturers Association of Hong Kong Limited. Mr. Au is an active Rotarian, he was a District Governor of Rotary International District 3450 (Hong Kong/Macao/Mongolia) in 1990–1991.

The Board considers enhancing its Board diversity when appointing and re-electing its Independent Non-executive Directors. With Mr. Au's experience in the legal sector, the Board believes Mr. Au will bring further contributions to the Board and its diversity. The Board has also taken into account Mr. Au's commitment to the Board and was satisfied with his independence having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules.

Mr. Au did not hold any directorship in any other public listed companies in the last three years. Mr. Au does not hold any position in the Company or any of its subsidiaries and does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Au does not have any interest (nor any short position) in the securities and underlying securities in the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Au will enter into a 3-year Director's service contract with the Company commencing from 19 May 2022. Mr. Au will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

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

**Dr. Ma Hung Ming, John**, aged 55, was appointed an Independent Non-executive Director of the Company on 3 December 2012 and he has also served as a member of the Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. Dr. Ma is currently the Vice Chairman of Carrianna Group Holdings Company Limited, this is a public company listed on The Stock Exchange of Hong Kong Limited. He has extensive experience in the catering industry, as well as property management and development. He was awarded the Bronze Bauhinia Star (BBS) from The Government of the Hong Kong Special Administrative Region in 2003 and a Honorary Doctorate of Philosophy by Morrison University in 2004. As for the community service, Dr. Ma was the Chairman of Tung Wah Group of Hospitals for the year 2002. He is a member of Tung Wah Group of Hospitals Advisory Board, the Standing Committee of Shenzhen Committee of Chinese People's Political Consultative Conference and the Chief President of Hong Kong Chamber of Commerce, Qianhai. He also serves as the Vice Chairman of Federation of Hong Kong Guangdong Community Organisations, Vice President of Hong Kong Chiu Chow Chamber of Commerce and the Executive Director of China Overseas Friendship Association. On 1 July 2015, Dr. Ma was appointed to Justices of the Peace by The Government of the Hong Kong Special Administrative Region. Save as disclosed above, Dr. Ma did not hold any directorship in any other public listed companies in the last three years.

Other than that mentioned above, Dr. Ma does not hold any position in the Company or any of its subsidiaries and does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Dr.

Ma does not have any interest (nor any short position) in the securities and underlying securities in the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Dr. Ma has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. The Board also considers that Dr. Ma has met the independence criteria set out in Rule 3.13 of the Listing Rules and was therefore satisfied with his independence.

Dr. Ma will enter into a 3-year Director's service contract with the Company commencing from 19 May 2022. Dr. Ma will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

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

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

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

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

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

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

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

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

There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts for the year ended 31 December 2020) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **4. MAXIMUM NUMBER OF SHARES TO BE BOUGHT BACK AND SUBSEQUENT ISSUE**

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

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

## 5. CONNECTED PARTIES

No Core Connected Persons of the Company have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

## 6. SHARE PRICES

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

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
March 2021	7.66	7.20
April 2021	8.04	7.38
May 2021	8.67	7.99
June 2021	8.42	8.20
July 2021	8.30	7.80
August 2021	8.44	7.90
September 2021	8.18	7.55
October 2021	8.16	7.63
November 2021	8.10	7.50
December 2021	7.89	7.64
January 2022	7.90	7.71
February 2022	7.94	7.61
1 March 2022 to Latest Practicable Date	7.76	7.02

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

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

## 8. UNDERTAKING OF DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the applicable laws of Hong Kong and the Articles of Association.

## 9. EFFECT OF THE TAKEOVERS CODE

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

As at the Latest Practicable Date, Mr. Liu Lit Chi, Chairman, Managing Director and Chief Executive Officer of the Company, and his controlled companies, namely, Liu's Holdings Limited and Alba Holdings Limited which are acting in concert together hold approximately 55.26% of the issued share capital of the Company. In the event that the Buy-back Mandate is exercised in full, assuming that the present shareholdings and capital structure of the Company remains the same, the interest in the Company held by Mr. Liu Lit Chi, Liu's Holdings Limited and Alba Holdings Limited, both being controlled corporations of Mr. Liu Lit Chi, would be increased to approximately 61.40% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequence which will arise under the Takeovers Code as a result of any repurchase of Shares under the Buy-back Mandate.

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

## 10. DISCLOSURE OF INTEREST

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