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GUANGNAN (HOLDINGS) LIMITED

廣南(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1203)

Executive Directors:

TAN Yunbiao (*Chairman*)

HE Jinzhou (*General Manager*)

LAU Kin Man (*Chief Financial Officer*)

Registered Office:

22nd Floor

Tesbury Centre

No. 24–32 Queen's Road East

Hong Kong

Non-Executive Director:

LIANG Jianqin

Independent Non-Executive Directors:

Gerard Joseph McMAHON

LI Kar Keung, Caspar

WONG Yau Kar, David

25 April 2019

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES FOR THE REPURCHASE OF SHARES AND
THE ISSUE OF SHARES, RE-ELECTION OF DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you notice of the annual general meeting of Guangnan (Holdings) Limited (“Company”) to be held on Wednesday, 5 June 2019 at 11:00 a.m. (“AGM”), and information on matters to be dealt at the AGM, *inter alia*:

- (a) the grant of general mandates (“General Mandates”) to the directors of the Company (“Directors”) to issue and repurchase ordinary shares in the share capital of the Company (“Shares”); and
- (b) the re-election of the retiring Directors.

2. GENERAL MANDATES

At the last annual general meeting of the Company held on 6 June 2018, resolutions were passed giving general mandates to the Directors (i) to allot, issue and otherwise deal with new Shares of up to 20% of the issued share capital of the Company as at 6 June 2018; (ii) to repurchase Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) of up to 10% of the issued share capital of the Company as at 6 June 2018; and (iii) to extend the general mandate to allot and issue Shares granted to the Directors by adding to it the number of Shares that has been repurchased by the Company.

Pursuant to the Companies Ordinance, Chapter 622 of the Laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) (“Companies Ordinance”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time (“Listing Rules”), these general mandates will lapse at the conclusion of the AGM, unless renewed at the AGM. In order to provide continual flexibility to the Directors, resolutions will be proposed at the AGM to renew these mandates.

(a) Repurchase Mandate

At the AGM, an ordinary resolution, set out as Ordinary Resolution No. 6 in the notice convening the AGM as set out in Appendix III to this circular (“AGM Notice”), will be proposed to grant a new general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase, at any time during the Relevant Period (as defined in Ordinary Resolution No. 6), Shares of up to a maximum of 10% of the issued share capital of the Company on the date of the passing of Ordinary Resolution No. 6 (“Repurchase Mandate”). An explanatory statement setting out the requisite information regarding the Repurchase Mandate as required under the Listing Rules is set out in Appendix I to this circular.

As at 17 April 2019 (the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular) (“Latest Practicable Date”), the number of Shares in issue was 907,593,285 Shares. Subject to the passing of the proposed resolution for approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a limit of 90,759,328 Shares.

(b) Issue Mandate

At the AGM, an ordinary resolution, set out as Ordinary Resolution No. 5 in the AGM Notice, will be proposed to grant a new general and unconditional mandate to the Directors to issue, at any time during the Relevant Period (as defined in Ordinary Resolution No. 5), Shares representing up to 20% of the issued share capital of the Company on the date of the passing of Ordinary Resolution No. 5 (“Issue Mandate”). In addition, an ordinary resolution, set out as Ordinary Resolution No. 7 in the AGM Notice, will be proposed to extend the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 907,593,285 Shares. Subject to the passing of the proposed resolution for approving the Issue Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed under the Issue Mandate to issue up to a limit of 181,518,657 Shares.

3. RE-ELECTION OF DIRECTORS

Pursuant to Article 101 of the Articles of Association of the Company, Mr. He Jinzhou (“Mr. He”) and Mr. Li Kar Keung, Caspar, (“Mr. Li”) will retire by rotation at the AGM and shall be eligible for re-election.

Mr. He and Mr. Li, being eligible, have offered themselves for re-election at the AGM.

Set out below is the information relating to the re-election of Mr. Li as independent non-executive director of the Company (the “Re-electing INED”) according to Rule 3.13 and Code Provisions A.4.3 and A.5.5 Appendix 14 of the Listing Rules:

(i) Confirmation of Independence

The Re-electing INED has provided the annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. None of the Re-electing INED has any relationship with any substantial shareholder, fellow Directors and management of the Company which would interfere with the exercise of independent judgment.

The Company is therefore of the view that both Mr. Li meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

(ii) Reasons for recommending the Re-electing INED

(a) Process for selecting directors and attributes of the Re-electing INED

The board of Directors (the “Board”) is responsible for recommending Director for re-election by the shareholders of the Company (the “Shareholders”) at the general meeting. It has delegated the relevant screening and evaluation process to the Nomination Committee, which identifies suitably qualified Director candidate and recommends him to the Board.

When evaluating Director for nomination, the Nomination Committee mainly takes into account: (i) diversity, (ii) character and integrity, (iii) professional qualifications, skills and knowledge, (iv) experience relevant to the Company’s business and corporate strategy, (v) commitment to enhancing shareholder value and (vi) fulfillment of independence requirements (for Independent Non-Executive Directors). The Nomination Committee then makes recommendation to the Board which in turn makes recommendation to the Shareholders in respect of the proposed re-election of Director at the general meeting.

At a meeting of the Nomination Committee held on 29 March 2019 at which the Re-Electing INED had abstained from voting when his own nomination was being considered, the Nomination Committee recommended the Re-Electing INED to the Board. The Nomination Committee considers that the Re-electing INED is highly regarded incumbents with a wealth of expertise and experience relevant to us. For Mr. Li, his financing expertise helps to add great value to the Company’s financial oversight for better shareholder interest protection. Being highly accomplished individual in his respective industries, fields and communities, he provides sound and valuable guidance to the Company, enabling the Board to fulfill its responsibilities effectively.

Having regard to the independence confirmation as well as the contributions that the Re-electing INED has made as described herein, the Board considers that the re-election of Mr. Li as Director is in the best interest of the Company and Shareholders as a whole and accepts the Nomination Committee’s recommendation.

(b) Other listed company directorship

None of the Re-electing Director is holding seven or more directorships in listed company.

(c) Skills and experience of the Re-electing INED

Mr. Li’s sound investment and financial background and expertise arising from his directorship at other listed companies and investment and financial role at different institutions enables him to contribute effectively and to provide a panoramic view to the Board.

(d) Contribution to diversity of the Board

The Company considers diversity in a broad sense, including but not limited to gender, age, cultural and educational background, professional experience, skills, industry knowledge and length of service. It also takes into consideration its own business model and specific needs from time to time. As explained above, Mr. Li possesses a diverse blend of skills, background, experience and viewpoint that are crucial to drive the Company forward in the ever-evolving competitive landscape. Mr. Li brings a broad perspective to the Board and provides constructive thoughts for the Company's overall strategic planning and business development.

(e) Length of services

Pursuant to A.4.3 of Appendix 14 to the Listing Rules, serving more than nine years could be relevant to the determination of a non-executive director's independence. Any further appointment of an independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by the Shareholders.

Mr. Li has been an Independent Non-Executive Director of the Company for more than nine years. A separate resolution will be proposed for his re-election at the AGM. Mr. Li does not have any management role in the Company and its subsidiaries and he has clearly demonstrated diligence, willingness to exercise independent judgment and has been giving objective views to the Company. There is no evidence that length of tenure is having an adverse impact on his independence.

The Board is satisfied that, as well proven by the valuable independent judgement and advice given by Mr. Li over the years, he has the required character, integrity, independence and experience to fulfill the role of an Independent Non-Executive Director. The Board is not aware of any circumstances that might influence Mr. Li in exercising his independent judgement.

Information relating to Mr. He and Mr. Li as required to be disclosed under Rule 15.51(2) of the Listing Rules is set out in Appendix II to this circular.

4. THE AGM

The AGM Notice is set out in Appendix III to this circular. Shareholders are advised to read the AGM Notice and to complete and return the enclosed form of proxy 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 not less than 48 hours before the time fixed for holding 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 in person at the AGM or any adjourned meeting should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the AGM Notice will be decided by poll. An announcement of the poll results will be made after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

5. RECOMMENDATIONS

The Directors believe that the granting of the General Mandates and the re-election of Directors are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions set out in the AGM Notice to be proposed at the AGM.

6. 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 enquires, 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 not other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
TAN Yunbiao
Chairman

This Appendix serves as an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate to be put forward to the AGM and also constitutes the memorandum required under section 239 of the Companies Ordinance.

EXERCISE OF THE REPURCHASE MANDATE

Whilst the Directors do not at present intend to repurchase any Shares immediately, they believe that the flexibility afforded by the mandate granted to them if the relevant ordinary resolution to approve the grant of the Repurchase Mandate is passed would be beneficial to the Company.

It is proposed that up to 10% of the issued Shares on the date of the passing of the ordinary resolution may be repurchased. As at the Latest Practicable Date, 907,593,285 Shares were issued. On the basis of such figures, the Directors would be authorized to repurchase up to 90,759,328 Shares during the period from the passing of the ordinary resolution up to the conclusion of the next annual general meeting in 2020, or the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association to be held, or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders at a general meeting of the Company, whichever of these three events occurs first.

REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such repurchase in accordance with its Articles of Association, the Laws of Hong Kong and the Listing Rules. Repurchases pursuant to the Repurchase Mandate will be made out of funds of the Company legally permitted to be utilised in this connection, including the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for such purpose.

IMPACT ON THE COMPANY

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2018) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase 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.

DISCLOSURE OF INTERESTS

None of the Directors, and to the best of the knowledge of the Directors, having made all reasonable enquiries, none of their associates (as defined in the Listing Rules), have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, if the Repurchase Mandate is exercised.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the last 6 months immediately preceding the Latest Practicable Date.

TAKEOVERS CODE CONSEQUENCES

If, as a result of a repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of its or their shareholding, 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, the immediate controlling shareholder (as defined in the Listing Rules) of the Company, GDH Limited ("GDH"), was recorded in the registers required to be kept by the Company under section 336 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO") as having an interest in 537,198,868 Shares, representing approximately 59.19% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held by GDH and there is no other change to the issued share capital of the Company, the shareholding of GDH in the Company will be increased to approximately 65.77% of the reduced issued share capital of the Company immediately after the exercise in full of the Repurchase Mandate. The Directors are not aware of the consequences which would arise under the Takeovers Code as a result of any repurchases of Shares pursuant to the Repurchase Mandate. In addition, in exercising the Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

MARKET PRICES

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

	Traded market price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	0.94	0.90
May	0.96	0.90
June	0.96	0.88
July	0.91	0.86
August	0.90	0.84
September	0.92	0.86
October	0.92	0.84
November	0.92	0.85
December	0.92	0.85
2019		
January	0.98	0.85
February	0.95	0.91
March	1.05	0.92

1. RE-ELECTION OF DIRECTORS

Set out below are the personal particulars of the Directors who offer themselves to be re-elected at the AGM:

Mr. HE Jinzhou, aged 46, was appointed an Executive Director and the General Manager of the Company in October 2016. He is also a director of Zhongyue Industry Material Limited (“Zhongyue Material”). Mr. He graduated from the Northeastern University with a Bachelor’s degree in Metallurgy of Iron and Steel. Besides, he holds an International Master’s degree in Business Administration of Sloan School of Management of the Massachusetts Institute of Technology and also a qualification of economist. Mr. He joined the Group in 2004. In 2012, he acted as the assistant general manager of Zhongshan Zhongyue Tinplate Industrial Co., Ltd. (“Zhongyue Tinplate”). Mr. He was the deputy general manager of the Operational Management Department of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited*) (“Guangdong Holdings”) for the period from October 2012 to January 2016. He was also the Deputy General Manager of the Company for the period from March to October 2016. Zhongyue Material and Zhongyue Tinplate are wholly-owned subsidiaries of the Company. Guangdong Holdings is the ultimate controlling shareholder of the Company.

Other than as stated above, Mr. He is not related to any Directors, senior management, or substantial or controlling shareholders of the Company, and has not held any directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Mr. He does not have any interest in shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of Securities and Futures Ordinance.

There is a letter of appointment entered into between the Company and Mr. He. Mr. He, if re-elected, will be appointed as an Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company’s annual general meeting to be held in 2022, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. His total remuneration for the year ended 31 December 2018 should be RMB589,674, which comprised the fixed annual remuneration, allowance and other benefits of RMB340,275, discretionary bonuses pegged to performance of RMB198,800 and a total payment of RMB50,599 for his pension scheme contributions. Such emoluments are determined by reference to his job responsibilities, the prevailing market conditions and the Company’s policy on Directors’ remuneration, operating performance and profitability.

Save as disclosed above, in relation to the re-election of Mr. He as an Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders.

Mr. LI Kar Keung, Caspar, aged 65, was appointed an Independent Non-Executive Director of the Company in June 1999. He is the president of a management service company. He had worked in BNP Paribas Peregrine Capital Limited. He had also worked as an investment analyst and head of Citicorp's equity research in Hong Kong. Mr. Li had also held the positions of executive director and chief financial officer of certain companies listed in Hong Kong.

Other than as stated above, Mr. Li is not related to any Directors, senior management, or substantial or controlling shareholders of the Company, and has not held any directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Mr. Li does not have any interest in shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of Securities and Futures Ordinance.

There is a letter of appointment entered into between the Company and Mr. Li and, if elected, will be appointed as an Independent Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2022, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. The total amount of Mr. Li's emoluments as an Independent Non-Executive Director, chairman of compensation committee, members of the audit committee and nomination committee amounted to HK\$300,000 for the year ended 31 December 2018. Mr. Li is entitled to such director's fee and emoluments as may be approved by the Board in accordance with the Articles of Association. His emoluments will be determined by reference to job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

Save as disclosed above, in relation to the re-election of Mr. Li as an Independent Non-executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders.



GUANGNAN (HOLDINGS) LIMITED

廣南(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1203)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Guangnan (Holdings) Limited (the “Company”) will be held at the Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57–73 Lockhart Road, Wanchai, Hong Kong on Wednesday, 5 June 2019 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the Report of the Directors and the Report of the Independent Auditor of the Company for the year ended 31 December 2018.
2. To declare a final dividend for the year ended 31 December 2018.
3. To re-elect the following retiring directors of the Company (the “Directors”) by separate resolutions, and to authorize the board of Directors (the “Board”) to fix the remuneration of the Directors:
 - (i) Mr. HE Jinzhou
 - (ii) Mr. LI Kar Keung, Caspar
4. To re-appoint the Auditors of the Company and authorize the Board to fix their remuneration.

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

ORDINARY RESOLUTIONS

5. “**THAT:**
 - (a) subject to the other provisions of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with ordinary shares in the capital of the Company (the “Ordinary Shares”) and/or options, warrants and/or instruments carrying rights to subscribe for any Ordinary Shares or securities convertible into Ordinary Shares, and to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Ordinary Shares allotted, issued or dealt with, or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given under paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into Ordinary Shares, (iii) the exercise of options granted by the Company under any option scheme or similar arrangement for the time being adopted for the grant to Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire Ordinary Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment of Ordinary Shares in lieu of the whole or part of a dividend on the Ordinary Shares in accordance with the articles of association of the Company (the “Articles of Association”), shall not exceed 20 per cent of the aggregate number of the Ordinary Shares in issue as at the date 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 Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and,

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

6. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Ordinary Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and authorized by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Buy-backs for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of the Ordinary Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent of the aggregate number of the Ordinary Shares in issue as at the date of the passing of this resolution; and
- (c) 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 Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. “**THAT** conditional upon the passing of resolutions no. 5 and no. 6 set out in the notice convening the annual general meeting, the aggregate number of Ordinary Shares which are repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution no. 6 shall be added to the aggregate number of Ordinary Shares that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval in the said resolution no. 5.”

By order of the Board
LO Wing Suet
Company Secretary

Hong Kong, 25 April 2019

Registered office:

22nd Floor
Tesbury Centre
24–32 Queen’s Road East
Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote in his place and such proxy need not be a shareholder of the Company.
- (ii) A form of proxy is enclosed. To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
- (iii) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Company’s register of members in respect of the joint holding.
- (iv) In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged 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 not later than 4:30 p.m. on Thursday, 30 May 2019.
- (v) The register of members of the Company will be closed from Wednesday, 12 June 2019 to Friday, 14 June 2019 (both days inclusive), for the purpose of determining shareholders’ entitlement to the final dividend, during which period no transfers of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged 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 not later than 4:30 p.m. on Tuesday, 11 June 2019.

- (vi) In relation to resolution no. 5, approval is being sought from the shareholders of the Company for a general mandate to authorize the issue of Ordinary Shares. The Directors wish to state that they have no immediate plans to issue any new Ordinary Shares pursuant to the general mandate so given.
- (vii) In relation to resolution no. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Ordinary Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. The Explanatory Statement containing the information necessary to enable the shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Ordinary Shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in the Appendix I to this circular.
- (viii) In relation to resolution no. 7, approval is being sought from the shareholders of the Company to extend the general mandate to authorize the issue of Ordinary Shares by adding the repurchased Ordinary Shares to the 20 per cent general mandate to issue Ordinary Shares.
- (ix) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, each of the resolutions set out in this notice will be noted by way of a poll.