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

If you have sold or transferred all your shares in Kwoon Chung Bus Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or 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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KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

**PROPOSED RE-ELECTION
OF THE RETIRING DIRECTORS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Kwoon Chung Bus Holdings Limited to be held at Hoi Yat Heen Salon I-II, 3rd Floor, Harbour Plaza North Point, 665 King's Road, North Point, Hong Kong on Monday, 20 August 2018 at 2:00 p.m. is set out on pages 13 to 17 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kcbh.com.hk).

If you are not able to attend the Annual General Meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. not later than 2:00 p.m. on Saturday, 18 August 2018) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

Reference to dates and time in this circular are to Hong Kong dates and time.

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RESPONSIBILITY STATEMENT

This document, 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 document 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 document misleading.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Hoi Yat Heen Salon I-II, 3rd Floor, Harbour Plaza North Point, 665 King’s Road, North Point, Hong Kong on Monday, 20 August 2018 at 2:00 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 17 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company with the latest amendments made on 1 September 2009;
“close associates”	has the meaning as ascribed thereto in the Listing Rules;
“Company”	Kwoon Chung Bus Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“core connected person(s)”	has the meaning as ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“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;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	13 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Share Buy-Back Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers approved by the Securities and Futures Commission in Hong Kong as amended from time to time;
“%”	per cent.

LETTER FROM THE BOARD



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

Executive Directors:

Wong Leung Pak, Matthew, *BBS (Chairman)*
Wong Cheuk On, James (*Chief Executive Officer*)
Lo Man Po

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Chan Bing Woon, *SBS, JP*
James Mathew Fong
Chan Fong Kong, Francis

Head Office and

Principal Place of Business:
3rd Floor, 8 Chong Fu Road
Chai Wan
Hong Kong

20 July 2018

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION
OF THE RETIRING DIRECTORS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Monday, 20 August 2018.

* *for identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Bye-laws, 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, 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 or holding office as the chairman of the Board or the managing director or the chief executive of the Company) shall be subject to retirement by rotation at least once every three years or such other period as the Stock Exchange may from time to time prescribe. The Director(s) to retire by rotation shall be the person(s) who has/have been longest in office since his/their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, the person(s) to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

According to Bye-law 87 of the Bye-laws, Mr. Wong Leung Pak, Matthew, *BBS* and Mr. James Mathew Fong shall retire by rotation at the Annual General Meeting and being eligible, will offer themselves for re-election at the Annual General Meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr. Wong Leung Pak, Matthew, *BBS* and Mr. James Mathew Fong are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF THE SHARE BUY-BACK MANDATE AND THE ISSUANCE MANDATE

At the annual general meeting of the Company held on 18 August 2017, general mandates were given to the Directors to exercise the powers of the Company to buy back Shares and to issue new Shares respectively. Up to the Latest Practicable Date, such mandates have not been used and, if not used by the date of the Annual General Meeting, will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of the issued Shares as at the date of passing of such resolution (i.e. a total of 46,168,600 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the "Share Buy-Back Mandate");

LETTER FROM THE BOARD

- (b) to allot, issue or deal with new Shares of not exceeding 20% of the total number of the issued Shares as at the date of passing of such resolution (i.e. a total of 92,337,200 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by adding the number of the Shares bought back by the Company pursuant to the Share Buy-Back Mandate.

The Share Buy-Back Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 9 and 10 of the notice of the Annual General Meeting as set out on pages 13 to 17 of this circular. With reference to the Share Buy-Back Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to buy back any Shares or issue any new Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Share Buy-Back Mandate. The explanatory statement as required by the Listing Rules in connection with the Share Buy-Back Mandate is set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 13 to 17 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kcbh.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the office of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 2:00 p.m. on Saturday, 18 August 2018) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the granting of the Share Buy-Back Mandate and the granting/extension of the Issuance Mandate are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) and Appendix II (Explanatory Statement on the Share Buy-Back Mandate) to this circular.

Yours faithfully,
By order of the Board
Wong Leung Pak, Matthew, BBS
Chairman

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below:

- (1) **Mr. WONG Leung Pak, Matthew, BBS**, aged 62, joined the Group in the early 1970s. Mr. Wong was the Chief Executive Officer and Managing Director of the Company until 1 June 2014 and has been appointed as the Chairman of the Company since 2 June 2014. He is responsible for providing leadership to, and overseeing the functioning of the Board. Mr. Wong has over 40 years of experience in the bus business. Mr. Wong is currently the chairman of the Public Omnibus Operators Association in Hong Kong, and he was awarded the Honorary University Fellowship by The Open University of Hong Kong in November 2014. Mr. Wong is the father of Mr. Wong Cheuk On, James and the father-in-law of Mr. Lo Man Po, who are executive Directors. He is the sole director of Basic Faith Company Limited (“Basic Faith”), which has an interest in the shares of the Company as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Wong was deemed to be interested in a total of 231,322,636 Shares and underlying Shares within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies in the last three years. Mr. Wong has not entered into any service contract with the Company and has not been appointed for any fixed term but is subject to retirement by rotation at least once every three years in accordance with the Bye-laws. His annual emoluments will be approximately HK\$17,801,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications.

There is no information which is discloseable nor is/was Mr. Wong involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

- (2) **Mr. James Mathew FONG**, aged 42, has been an independent non-executive Director of the Company since 2016. Mr. Fong obtained a Bachelor of Laws degree from The University of Hong Kong. He is a partner of Bird & Bird, one of the largest international law firms in Hong Kong. During his more than 15 years of legal career, Mr. Fong has been advising listed issuers and investment banks clients on capital markets, merger & acquisition and corporate governance matters. He also serves in a number of statutory bodies and committees in Hong Kong. He is currently a member of the Chiropractors Council, HKSAR Passports Appeal Board, the Disciplinary Committee Panel of Social Workers Registration Board and Private Columbaria Licensing Board, an adjudicator of the Immigration Tribunal of the Security Bureau and an observer of the Independent Police Complaints Council. He was a member of Hong Kong Arts Development Council between 2011 and 2016.

Mr. Fong is not and has not been a director of any other listed companies in the last three years.

As far as the Directors are aware, Mr. Fong does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, he was not interested or deemed to be interested in any shares, underlying shares or debenture of the Company or its associated corporations within the meaning of Part XV of the SFO. According to his service contract with the Company for a term of 2 years from 1 July 2018, Mr. Fong's annual emolument shall be approximately HK\$300,000, which include monthly remuneration and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications.

There is no information which is discloseable nor is/was Mr. Fong involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Fong that need to be brought to the attention of the Shareholders.

APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-Back Mandate.

1. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-Back Mandate is in the interests of the Company and the Shareholders.

Share buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Share Buy-Back Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 461,686,000 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-Back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Share Buy-Back Mandate to buy back a total of 46,168,600 Shares, representing 10% of the total number of the Shares in issue as at the date of the Annual General Meeting, during the period in which the Share Buy-Back Mandate remains in force.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its Memorandum of Association and Bye-laws, the laws of Bermuda and/or any other applicable laws.

The Company is empowered by its Memorandum of Association and Bye-laws to buy back Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share buy-back by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on share buy-back may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2018) in the event that the Share Buy-Back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-Back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-Back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, the shareholdings of the substantial shareholders and directors in the Company as at the Latest Practicable Date and upon the exercise of the Share Buy-Back Mandate in full were and will be as follows:

	As at Latest Practicable Date		Immediately upon exercise of Share Buy-Back Mandate in full	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Basic Faith (<i>Note 1</i>)	231,322,636	50.10%	231,322,636	55.67%
Mr. Wong Leung Pak, Matthew, <i>BBS (Note 2)</i>	599,665	0.13%	599,665	0.14%
Mr. Wong Cheuk On, James (<i>Note 3</i>)	3,434,000	0.74%	3,434,000	0.83%
Mr. Lo Man Po (<i>Note 4</i>)	2,200,000	0.48%	2,200,000	0.53%
Cathay International Corporation	100,674,400	21.81%	100,674,400	24.23%
Public Shareholders	123,455,299	26.74%	77,286,699	18.60%
	<u>461,686,000</u>	<u>100.00%</u>	<u>415,517,400</u>	<u>100.00%</u>

APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

Notes:

1. Mr. Wong Leung Pak, Matthew, *BBS* is the sole director and the ultimate beneficial owner of Basic Faith and is therefore deemed to be interested in 231,322,636 Shares held by Basic Faith.
2. These 599,665 Shares were held by Mr. Wong Leung Pak, Matthew, *BBS* and his spouse, Ms. Ng Lai Yee, Christina jointly.
3. Mr. Wong Cheuk On, James is the son of Mr. Wong Leung Pak, Matthew, *BBS* and an executive Director.
4. Mr. Lo Man Po is the son-in-law of Mr. Wong Leung Pak, Matthew, *BBS* and an executive Director.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, the exercise in full of the Share Buy-Back Mandate will result in the number of shares in the public hands being reduced to less than 25% of the issued share capital of the Company. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-Back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-Back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-Back Mandate in accordance with the Listing Rules and the laws of Bermuda.

APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month	Highest HK\$	Lowest HK\$
2017		
July	4.680	4.520
August	4.700	4.500
September	4.590	4.450
October	4.560	4.490
November	4.610	4.490
December	4.600	4.400
2018		
January	4.540	4.400
February	4.500	4.250
March	4.440	4.250
April	4.400	4.200
May	4.480	4.350
June	4.450	4.300
July (up to the Latest Practicable Date)	4.300	4.100

8. SHARE BUY-BACK MADE BY THE COMPANY

During the previous six months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF THE ANNUAL GENERAL MEETING



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Kwoon Chung Bus Holdings Limited (the “Company”) will be held at Hoi Yat Heen Salon I-II, 3rd Floor, Harbour Plaza North Point, 665 King’s Road, North Point, Hong Kong on Monday, 20 August 2018 at 2:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and of the auditors for the year ended 31 March 2018;
2. To declare a final dividend of HK12 cents per share for the year ended 31 March 2018;
3. To re-elect Mr. Wong Leung Pak, Matthew, *BBS*, as an executive director of the Company;
4. To re-elect Mr. James Mathew Fong as an independent non-executive director of the Company;
5. To authorize the board of directors to fix the maximum number of directors;
6. To authorize the board of directors to appoint additional directors up to the maximum number determined;
7. To authorize the board of directors to fix the respective directors’ remuneration;
8. To re-appoint Ernst & Young as auditors and to authorise the board of directors to fix their remuneration;

* *for identification purposes only*

NOTICE OF THE ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of share of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes 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 bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes 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 bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 recognized regulatory body or any stock exchange).”

NOTICE OF THE ANNUAL GENERAL MEETING

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 9 and 10 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 10 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 9 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

By order of the Board
Wong Leung Pak, Matthew, BBS
Chairman

Hong Kong, 20 July 2018

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 2:00 p.m. on Saturday, 18 August 2018) or the adjourned meeting (as the case may be). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Wednesday, 15 August 2018 to Monday, 20 August 2018, 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 above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 14 August 2018.
4. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 24 August 2018 to Tuesday, 28 August 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 23 August 2018.
5. In relation to the ordinary resolutions set out in items 9, 10 and 11 of the above notice, the directors of the Company wish to state that they have no immediate plan to issue any new shares or buy back any existing shares of the Company.
6. References to time and dates in this notice are to Hong Kong time and dates.