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

If you have sold or transferred all your shares in Arts Optical International Holdings Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or transferee or 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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ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

雅視光學集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1120)

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

The notice convening the Annual General Meeting of Arts Optical International Holdings Limited to be held at Rooms 1703–1704, World-Wide House, 19 Des Voeux Road Central, Hong Kong on 3rd June, 2021 at 3:00 p.m. at which the above proposals will be considered is set out on pages 12 to 15 of this document. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed on it as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting, or any adjournment thereof.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 2 of this document for measures being taken by the Company to try to prevent and control the spread of the coronavirus disease at the AGM, including:

- compulsory temperature checks
- compulsory wearing of surgical face masks
- no distribution of refreshments

Any person who does not comply with the precautionary measures may be denied entry into the venue of the AGM. In order to facilitate the prevention and control of the coronavirus disease, and to safeguard the health and safety of its shareholders, the Company encourages its shareholders to consider appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

* For identification purpose only

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DEFINITIONS

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

| | |
|--------------------------------------|--|
| “Annual General Meeting” or “AGM” | the annual general meeting of the Company to be held on 3rd June, 2021 at 3:00 p.m., notice of which is set out on pages 12 to 15 of this document |
| “associates” | shall have the meaning ascribed to it under the Listing Rules |
| “Board” | the board of directors of the Company |
| “Bye-laws” | the bye-laws of the Company |
| “Company” | Arts Optical International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1120) |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars |
| “Latest Practicable Date” | 15th April, 2021, being the latest practicable date prior to the printing of this document |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Nomination Committee” | the nomination committee of the Company |
| “SFO” | Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

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

- (i) the Company encourages the Shareholders to consider appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person;
- (ii) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue;
- (iii) the Company requires attendees to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats; and
- (iv) no refreshments will be served.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent pandemic guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising their voting rights. As an alternative, by using forms of proxy with voting instructions inserted, Shareholders may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

The form of proxy is attached to the AGM Circular for Shareholders who opt to receive physical circulars. Alternatively, the form of proxy can be downloaded from the "Investor Relations — Announcements and Circulars" section of the Company's website at www.artsgroup.com/en/Investor-Relations/Announcements-And-Circulars.html. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

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

Company Secretary
Email: eddie.choi@artsgroup.com
Fax: (852) 2195 8994

LETTER FROM CHAIRMAN



ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

雅視光學集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1120)

Directors:

Mr. NG Hoi Ying, Michael (*Chairman*)

Mr. NG Kim Ying

Mr. WONG Chi Wai[#]

Mr. CHUNG Hil Lan Eric[#]

Mr. LAM Yu Lung[#]

([#] independent non-executive Directors)

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*

Unit 308, 3rd Floor

Sunbeam Centre

27 Shing Yip Street

Kwun Tong

Kowloon

Hong Kong

23rd April, 2021

To the Shareholders

Dear Sir or Madam,

1. INTRODUCTION

The purpose of this document is to give you notice of the Annual General Meeting for the purpose of considering, and if thought fit, passing resolutions to approve, *inter alia*, the re-election of the retiring Directors and the general mandates granted to the Directors to issue Shares and repurchase Shares. In accordance with the relevant requirements under the Listing Rules and in line with good corporate governance practice, I would direct that each of the resolutions set out in the Notice of Annual General Meeting be voted on by poll. The Company will publish an announcement of the results of the proposed resolutions in accordance with the Listing Rules.

2. RE-ELECTION OF THE RETIRING DIRECTORS

According to Bye-law 87(1) of the Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by

* For identification purpose only

LETTER FROM CHAIRMAN

rotation. Bye-law 87(2) of the Bye-laws further provides that the Director(s) to retire by rotation shall be those who have been longest in office since their last re-election or appointment, and as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Mr. Chung Hil Lan Eric (“Mr. Chung”) and Mr. Ng Kim Ying (“Mr. Ng”) were re-elected as Directors in the annual general meeting of the Company held on 24th May, 2018 and 23rd May, 2019 respectively for a term of not more than 3 years and are subject to retirement by rotation in accordance with the Bye-laws. In accordance with the abovementioned Bye-laws, Mr. Chung and Mr. Ng will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

On 26th March, 2021, the Nomination Committee, comprising solely independent non-executive Directors, confirmed that Mr. Chung and Mr. Ng continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee nominated, and the Board recommended Mr. Chung and Mr. Ng to stand for election as Directors at the Annual General Meeting. For good corporate governance practice, Mr. Chung abstained from voting on the respective propositions of his recommendation for election by Shareholders.

The Nomination Committee is also responsible for, *inter alia*, assessing the independence of independent non-executive Directors. On 26th March, 2021, the Nomination Committee assessed and reviewed the individual independent non-executive Director’s annual confirmation of independence based on the independence criteria set out in Rule 3.13 of the Listing Rules, and affirmed that all independent non-executive Directors including, Mr. Wong Chi Wai, Mr. Chung Hil Lan Eric and Mr. Lam Yu Lung remained independent.

Further, pursuant to Appendix 14 to the Listing Rules, serving more than 9 years could be relevant to the determination of a non-executive director’s independence. If an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to approve by shareholders.

Mr. Chung has served the Company as an independent non-executive Director for more than 9 years since 2004 and the Board takes the view that Mr. Chung is still independent for the reasons below. Mr. Chung has not engaged in any executive management of the Group and demonstrated his ability to provide an independent view to the Company’s matters during his term of service. He is independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgement. In addition, Mr. Chung has declared his independence by submitting an annual written confirmation of independence to the Nomination Committee, which the Nomination Committee reviewed based on the independence criteria set out in Rule 3.13 of the Listing Rules. The Board considers that the long service of Mr. Chung would not affect his exercise of independent judgement and is satisfied that he has the required character, integrity, experience and profound knowledge of the business of the Group to continue fulfilling the role of independent non-executive Director effectively.

LETTER FROM CHAIRMAN

The details and brief biography of Mr. Chung and Mr. Ng are set out below:

Mr. Chung Hil Lan Eric, aged 55, is an independent non-executive director, the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company.

He is a practising certified public accountant in Hong Kong and an associate member of the Institute of Chartered Accountants in England and Wales. Mr. Chung obtained a Bachelor degree in Social Sciences from the University of Hong Kong in 1988. He has 33 years of experience in the accountancy profession and is currently the owner of Eric H. L. Chung & Co., a certified public accountants firm in Hong Kong.

Mr. Chung did not hold any directorship in other listed public companies in the last 3 years. He joined the Group as an independent non-executive director of the Company in 2004 and has entered into a service contract with the Company which does not provide for a fixed period of service and can be terminated by the Company by giving a period of notice of not more than 3 months. The proposed term of office for Mr. Chung shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. Mr. Chung does not have any interests or deemed interest in the Shares within the meaning of Part XV of the SFO nor is he related to any directors, senior management or substantial or controlling shareholders of the Company. The total amount of Mr. Chung's emoluments are HK\$144,000 per annum as provided for under the terms of his service contract. Mr. Chung's emoluments have been determined by the remuneration committee of the Company by benchmarking against comparable companies in Hong Kong.

Save as disclosed herein, there is no other information relating to Mr. Chung that is required to be disclosed pursuant to the requirements of rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Ng Kim Ying, aged 65, is an executive director of the Company. He was appointed as an executive director of the Company in 1996. Mr. Ng joined the Group in 1985 and is responsible for the implementation and application of information technology to the business of the Group. He has 36 years of experience in the optical products industry.

Mr. Ng did not hold any directorship in other listed public companies in the last 3 years. He has entered into a service contract with the Company which does not provide for a fixed period of service and can be terminated by the Company by giving a period of notice of not more than 6 months. The proposed term of office for Mr. Ng shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. Mr. Ng is the brother of Mr. Ng Hoi Ying, Michael, the chairman and an executive director of the Company, and the uncle of Ms. Ng Yat Shan, the chief executive officer of the Company. Save as disclosed herein, Mr. Ng has no relationship with any director, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Ng was interested in 28,126,347 Shares (representing 7.28% of the issued share capital of the Company) within the meaning of Part XV of the SFO, out of which, 23,126,347 Shares and 5,000,000 Shares were held directly by

LETTER FROM CHAIRMAN

Mr. Ng and his wife respectively. The total amount of Mr. Ng's basic salary is HK\$455,000 per annum as provided for under the terms of his service contract. He is also eligible for an annual discretionary bonus based on his performance and the financial performance of the Group. The emoluments of Mr. Ng have been determined by the remuneration committee of the Company by benchmarking against comparable companies in Hong Kong and with reference to his job responsibilities.

Save as disclosed herein, there is no other information relating to Mr. Ng that is required to be disclosed pursuant to the requirements of rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

3. GENERAL MANDATES

At the annual general meeting of the Company which was held on 3rd June, 2020, ordinary resolutions were passed to give general mandates to the Directors to issue and repurchase Shares. Under the terms of the general mandates and the Listing Rules, these general mandates lapse at the conclusion of the Annual General Meeting.

Resolutions set out as Resolutions no. 6 and no. 7 in the notice of the Annual General Meeting will be proposed at the Annual General Meeting to grant to Directors general mandates:

- (i) to repurchase Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing such resolution; and
- (ii) to allot, issue and deal with Shares up to a maximum of:
 - (a) in the case of an allotment and issue of Shares for cash (other than an allotment and issue of Shares pursuant to a rights issue), 5% of the total number of issued shares of the Company as at the date of passing such resolution; and
 - (b) in the case of an allotment and issue of Shares other than for cash, 20% of the total number of issued shares of the Company as at the date of passing such resolution (less Shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (a) above),

provided that, in any event, no Shares shall be allotted and issued pursuant to this general mandate if the relevant price represents a discount of 5% or more to the Benchmarked Price of the Shares.

LETTER FROM CHAIRMAN

For the avoidance of doubt, the total number of Shares to be issued pursuant to the general mandate granted to the Directors under Resolution no. 7 shall not exceed 20% of the total number of issued shares of the Company as at the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 386,263,374 Shares. On the basis that no further Shares are issued and no Shares are to be repurchased by the Company prior to the date of passing such resolution the maximum number of Shares to be issued pursuant to this general mandate shall be 77,252,675 Shares.

For the purposes of Resolution no. 7, the “Benchmarked Price” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet in the five trading days immediately prior to the earlier of:
 - (a) the date of signing of the agreement to which the transaction relates; or
 - (b) the date on which the relevant transaction is announced; or
 - (c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.

With reference to these resolutions, the Directors wish to state that they have no immediate plans to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed repurchase resolution is set out in the Appendix to this document. It contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

4. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting proposed to be held at Rooms 1703–1704, World-Wide House, 19 Des Voeux Road Central, Hong Kong on 3rd June, 2021 at 3:00 p.m. is set out on pages 12 to 15 of this document. At the Annual General Meeting:

- (i) Resolutions no. 2 and no. 3 will be proposed as ordinary resolutions to re-elect Mr. Chung and Mr. Ng as Directors.
- (ii) Resolution no. 6 will be proposed as an ordinary resolution to give a general mandate to the Directors for the repurchase of Shares.
- (iii) Resolution no. 7 will be proposed as an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with Shares.

LETTER FROM CHAIRMAN

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed on it and return the same to the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event so as to be received not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and delivery of the form of proxy will not prevent you from attending and voting at the Annual General Meeting if you so wish.

5. 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.

6. RECOMMENDATIONS

The Directors believe that the re-election of the retiring Directors and the general mandates to repurchase Shares and to allot, issue and deal with Shares are in the interests of the Company and the Shareholders, and accordingly recommend you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Ng Hoi Ying, Michael
Chairman

This is the explanatory statement, as required by the relevant rules set out in the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate for the repurchase of Shares.

SHARE REPURCHASE PROPOSAL

The resolution set out as Resolution no. 6 in the notice convening the Annual General Meeting which will be proposed as an ordinary resolution at the Annual General Meeting relates to the granting of a general mandate to the Directors to repurchase on the Stock Exchange Shares representing up to 10% of the issued shares of the Company at the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 386,263,374 Shares. On the basis that no further Shares are issued and no Shares are to be repurchased by the Company prior to the date of passing such resolution, the Directors would be authorised to repurchase up to a maximum of 38,626,337 Shares.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the paid-up share capital, or the profits that would otherwise be available for dividends or the proceeds of a fresh issue of shares made for that purpose. The premium payable on a repurchase may only be paid out of either the profits that would otherwise be available for dividends or out of the share premium or contributed surplus accounts of the Company. It is envisaged that any such repurchase of Shares would be appropriately financed by the Company's distributable profits.

In the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period, there could be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31st December, 2020 which is despatched to the Shareholders together with this document. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors is from time to time appropriate for the Company.

SHARES PURCHASES MADE BY THE COMPANY

No purchase has been made by the Company of its Shares in the 6 months prior to the Latest Practicable Date.

GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, the power of the Company to make repurchases pursuant to the proposed repurchase mandate will be exercised in accordance with the Listing Rules and the applicable laws of Bermuda. None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their associates have a present intention, in the event that the proposed repurchase mandate is granted by the Shareholders, 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 it has a present intention to sell any Shares held by it to the Company, or has undertaken not to do so, in the event that the proposed repurchase mandate is granted by the Shareholders.

If as a result of a repurchase of Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. To the best of the knowledge of the Directors and having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Ng Hoi Ying, Michael and the parties acting in concert (as defined in the Takeovers Code) with him were interested in approximately 53.85% of the total issued Shares. In the event that the Directors shall exercise in full the power to repurchase Shares in accordance with the terms of the resolution to be proposed at the Annual General Meeting and assuming that there is no change in the issued share capital of the Company at the date of the Annual General Meeting, the interests of Mr. Ng Hoi Ying, Michael, a director and a substantial shareholder of the Company, will be increased from approximately 53.85% to 59.83% and such increase in shareholding would not give rise to an obligation for Mr. Ng Hoi Ying, Michael and his concert parties to make a mandatory general offer under Rule 26 of the Takeovers Code.

SHARE PRICES

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

| Month | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|--|--------------------------------|-------------------------------|
| April 2020 | 1.04 | 1.00 |
| May 2020 | 1.20 | 0.84 |
| June 2020 | 1.02 | 0.85 |
| July 2020 | 0.90 | 0.82 |
| August 2020 | 0.82 | 0.72 |
| September 2020 | 0.80 | 0.66 |
| October 2020 | 0.78 | 0.77 |
| November 2020 | 0.79 | 0.78 |
| December 2020 | 0.79 | 0.79 |
| January 2021 | 0.86 | 0.58 |
| February 2021 | 0.79 | 0.78 |
| March 2021 | 0.79 | 0.78 |
| April 2021 (up to Latest Practicable Date) | 0.78 | 0.78 |

NOTICE OF ANNUAL GENERAL MEETING



ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

雅視光學集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1120)

NOTICE IS HEREBY GIVEN that the annual general meeting of Arts Optical International Holdings Limited (the “Company”) will be held at Rooms 1703–1704, World-Wide House, 19 Des Voeux Road Central, Hong Kong on 3rd June, 2021 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and the independent auditor of the Company for the year ended 31st December, 2020.
2. To re-elect Mr. Chung Hil Lan Eric (who has served more than nine years) as an independent non-executive Director.
3. To re-elect Mr. Ng Kim Ying as an executive Director.
4. To authorise the remuneration committee to fix the remuneration of the Directors.
5. To re-appoint Messrs. RSM Hong Kong as the auditor of the Company and to authorise the board of Directors to fix their remuneration.

AS SPECIAL BUSINESS

6. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

“THAT:

- (a) subject to paragraph (b) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares to be repurchased by the Company pursuant to the approval in paragraph (a) above of this resolution shall not exceed 10% of the total number of issued shares of the Company at the date of passing this resolution and the said approval shall be limited accordingly; and

(c) for the purpose of this resolution,

“Relevant Period” means the period from the 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 laws of Bermuda or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in a general meeting.”

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options which would or might require the allotment of such shares, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above of this resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements or options which would or might require the allotment of such shares after the end of the Relevant Period (as hereinafter defined);
- (c) the total number of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being

NOTICE OF ANNUAL GENERAL MEETING

adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares in the Company, shall not exceed:

- (i) in the case of an allotment and issue of shares for cash, 5% of the total number of issued shares of the Company at the date of passing this resolution; and
- (ii) in the case of an allotment and issue of shares other than for cash, 20% of the total number of issued shares of the Company at the date of passing this resolution (less shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (i) of this resolution),

provided that, in any event, no shares shall be allotted and issued by the Directors pursuant to the approval granted under this resolution if the total number of shares allotted and issued (for cash or otherwise) exceeds 20% of the total number of issued shares of the Company at the date of passing this resolution or if the relevant price represents a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the shares, and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution,

“Benchmarked Price” shall be a price which is the higher of:

- (i) the closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited on the date of signing of the agreement to which the transaction relates; and
- (ii) the average closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited in the five trading days immediately prior to the earlier of:
 - (A) the date of signing of the agreement to which the transaction relates; or
 - (B) the date on which the relevant transaction is announced; or
 - (C) the date on which the price of the shares of the Company to be issued pursuant to the transaction is fixed.

“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 laws of Bermuda or the bye-laws of the Company to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (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.

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

By Order of the Board
Choi Pui Yiu
Company Secretary

Hong Kong, 23rd April, 2021

Notes:

- (1) At the annual general meeting, the Chairman of the meeting will exercise his power under Bye-law 66 of the Company’s bye-laws to put all of the above resolutions to the vote by way of poll.
- (2) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member of the Company.
- (3) To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be lodged with the Company’s Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting, or any adjournment thereof (as the case may be).
- (4) The register of members of the Company will be closed from 31st May, 2021 to 3rd June, 2021, both days inclusive, during which period no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificate must be lodged with the Company’s Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 28th May, 2021 in order to be eligible to attend and vote at the annual general meeting.
- (5) With respect to Resolution no. 2 and no. 3 above, Mr. Chung Hil Lan Eric and Mr. Ng Kim Ying shall retire from the office of directorship and shall offer themselves for re-election in accordance with the Company’s bye-laws. Details of the retiring Directors which are required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited are set out in the circular of the Company dated 23rd April, 2021.
- (6) An explanatory statement containing further details regarding Resolution no. 6 above will be sent to the shareholders for perusal.