

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your securities dealer licensed under the Securities and Futures Ordinance, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in Chow Tai Fook Jewellery Group Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

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

The notice convening the AGM is set out on pages 5 to 9 of this circular.

Whether you are able to attend the AGM or not, you are requested to complete and sign the accompanying proxy form in accordance with the instructions printed on it and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the meeting or any adjourned meeting (as the case may be). Submission of a proxy form will not preclude you from attending and voting in person at the meeting (or any adjourned meeting thereof) should you so wish.

14 June 2018

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DEFINITIONS

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

"2018 Annual Report"	the annual report for the year ended 31 March 2018 of the Company;
"AGM"	the annual general meeting of the Company to be held at Meeting Room S421, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Thursday, 26 July 2018 at 12:00 noon, or, where the context so admits, any adjournment thereof;
"Articles of Association"	the articles of association of the Company, as amended and restated from time to time;
"Board"	the board of directors of the Company;
"Company"	Chow Tai Fook Jewellery Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1929);
"Director(s)"	director(s) of the Company;
"Group"	the Company and its subsidiaries from time to time;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Issue Mandate"	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;
"Latest Practicable Date"	8 June 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Repurchase Mandate"	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;

DEFINITIONS

"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
"Share(s)"	ordinary share(s) of par value of HK\$1.00 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong; and
"%"	per cent.

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



CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

Executive Directors:

Dr. Cheng Kar-Shun, Henry (*Chairman*)
Mr. Wong Siu-Kee, Kent (*Managing Director*)
Dr. Cheng Chi-Kong, Adrian
Mr. Cheng Chi-Heng, Conroy
Mr. Cheng Ping-Hei, Hamilton
Mr. Chan Sai-Cheong
Mr. Suen Chi-Keung, Peter
Mr. Chan Hiu-Sang, Albert
Mr. Liu Chun-Wai, Bobby

Non-Executive Director:

Mr. Cheng Kam-Biu, Wilson

Independent Non-Executive Directors:

Mr. Cheng Ming-Fun, Paul
Dr. Fung Kwok-King, Victor
Mr. Kwong Che-Keung, Gordon
Mr. Lam Kin-Fung, Jeffrey
Dr. Or Ching-Fai, Raymond

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

33/F, New World Tower
16-18 Queen's Road Central
Hong Kong

14 June 2018

Dear Shareholders,

On behalf of the Board, it is my pleasure to invite you to the Company's annual general meeting to be held at Meeting Room S421, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Thursday, 26 July 2018 at 12:00 noon. Registration will start at 11:30 a.m.

The notice of the AGM is set out on pages 5 to 9. Information regarding the business to be considered at the AGM is set out on pages 10 to 12. If you do not plan to attend the AGM yourself, I encourage you to appoint a proxy to attend and vote on your behalf at the AGM.

LETTER FROM THE BOARD OF DIRECTORS

The Board considers that the proposed resolutions as set out in the notice of the AGM are in the best interests of the Company and its Shareholders as a whole, and recommends you vote in favour of all the resolutions at the AGM.

Matters regarding Shareholders' rights to attend and vote at the AGM are set out in Appendix III of this circular. If you have any questions concerning the AGM, please contact the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at (852) 2980 1333.

Your participation at the AGM is welcome and my fellow Directors and I look forward to meeting you at the AGM.

Yours faithfully,
On behalf of the Board
Chow Tai Fook Jewellery Group Limited
Dr. Cheng Kar-Shun, Henry
Chairman

NOTICE OF ANNUAL GENERAL MEETING



CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

NOTICE IS HEREBY GIVEN THAT the annual general meeting of shareholders of Chow Tai Fook Jewellery Group Limited ("**Company**") will be held at Meeting Room S421, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Thursday, 26 July 2018 at 12:00 noon for the following purposes:

ORDINARY RESOLUTIONS

As Ordinary Business:

1. To receive and adopt the audited financial statements for the year ended 31 March 2018 together with the reports of the directors and the independent auditor thereon;
2. To declare final dividend and special dividend for the year ended 31 March 2018;
3.
 - (a) To re-elect Mr. Cheng Chi-Heng, Conroy as an executive director;
 - (b) To re-elect Mr. Cheng Ping-Hei, Hamilton as an executive director;
 - (c) To re-elect Mr. Chan Sai-Cheong as an executive director;
 - (d) To re-elect Mr. Cheng Ming-Fun, Paul as an independent non-executive director;
 - (e) To re-elect Dr. Or Ching-Fai, Raymond as an independent non-executive director; and
 - (f) To authorise the board of directors to fix the remuneration of the directors; and
4. To appoint PricewaterhouseCoopers as auditor of the Company and authorise the board of directors to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As Special Business:

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

5. **“THAT:**
 - (a) subject to paragraph 5(c) below, the exercise by the directors of the Company (**“Directors”**) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers, subject to and in accordance with all applicable laws and the articles of association of the Company, be and is hereby generally and unconditionally approved;
 - (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of the share capital of the Company 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 paragraphs 5(a) and 5(b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription or conversion rights attached to the warrants or the convertible securities which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
 - (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the mandate given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors to holders of shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange)."

6. **"THAT:**

- (a) Subject to paragraph 6(c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 5(d) above) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange 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 of Hong Kong Limited ("**Listing Rules**") or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 6(a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the share capital of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraphs 6(a) and 6(b) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution, and the said approval shall be limited accordingly."

NOTICE OF ANNUAL GENERAL MEETING

7. **“THAT** conditional upon the passing of the ordinary resolutions numbered 5 and 6 as set out in the notice convening this meeting being duly passed, the aggregate nominal amount of the shares in the issued capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to and in accordance with the said resolution numbered 6 shall be added to the aggregate nominal amount of the share capital of the Company 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 and in accordance with the said resolution numbered 5.”

By Order of the Board
CHOW TAI FOOK JEWELLERY GROUP LIMITED
Dr. Cheng Kar-Shun, Henry
Chairman

Hong Kong, 14 June 2018

Notes:

1. Any eligible shareholder is entitled to appoint one or more proxies to attend and vote in his/her/its stead at the above meeting (or at any adjournment of it) provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy forms. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share of the Company, any one of such joint holders may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, 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.
4. For the purposes of determining shareholders' eligibility to attend and vote at the above meeting (or at any adjournment of it), and entitlement to the final and special dividends, the register of members of the Company will be closed as set out below:
 - (i) For determining eligibility to attend and vote at the above meeting:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar	4:30 p.m. on Friday, 20 July 2018
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Closure of register of members	Monday, 23 July 2018 to Thursday, 26 July 2018 (both dates inclusive)
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Record date	Thursday, 26 July 2018
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NOTICE OF ANNUAL GENERAL MEETING

- (ii) For determining entitlement to the final dividend and special dividend:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar	4:30 p.m. on Wednesday, 1 August 2018
Closure of register of members	Thursday, 2 August 2018
Record date	Thursday, 2 August 2018

During the above closure periods, no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the meeting and the final and special dividends, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than the aforementioned latest time.

5. All resolutions set out in this notice will be taken by way of poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
6. The registration for attending the above meeting will start at 11:30 a.m. on 26 July 2018.
7. The above meeting will be adjourned if any of the following events happens on the date of such meeting:
 - (a) at 9:00 a.m., a tropical cyclone warning signal no. 8 or above is in force in Hong Kong; or
 - (b) at 11:00 a.m. or earlier, the Hong Kong Observatory has issued a pre-no. 8 special announcement to give an advance notice that tropical cyclone warning signal no. 8 is expected within 2 hours.

The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and its corporate website (corporate.chowtaifook.com) to notify shareholders of the date, time and place of the adjourned meeting.

The meeting will be held as scheduled when amber, red or black rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.

Shareholders may contact the Company's Hong Kong branch share registrar's customer service hotline at (852) 2980 1333 during business hours (9:00 a.m. to 6:00 p.m., Monday to Friday, excluding Hong Kong public holidays) for the meeting arrangements.

8. As at the date hereof, the board of directors comprises 9 executive directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Wong Siu-Kee, Kent, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Conroy, Mr. Cheng Ping-Hei, Hamilton, Mr. Chan Sai-Cheong, Mr. Suen Chi-Keung, Peter, Mr. Chan Hiu-Sang, Albert and Mr. Liu Chun-Wai, Bobby; 1 non-executive director, Mr. Cheng Kam-Biu, Wilson; and 5 independent non-executive directors, namely Mr. Cheng Ming-Fun, Paul, Dr. Fung Kwok-King, Victor, Mr. Kwong Che-Keung, Gordon, Mr. Lam Kin-Fung, Jeffrey and Dr. Or Ching-Fai, Raymond.

BUSINESS OF ANNUAL GENERAL MEETING

RESOLUTION 1 — RECEIVING AND ADOPTING THE AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended 31 March 2018 together with the Directors' Report, are set out in the 2018 Annual Report which are available in English and Chinese under the Investor Relations section of the Company's corporate website (corporate.chowtaifook.com) and the HKEXnews website (www.hkexnews.hk).

The financial statements were audited by Deloitte Touche Tohmatsu ("**Deloitte**") and reviewed by the audit committee of the Company. The report of the auditor is set out in the 2018 Annual Report.

RESOLUTION 2 — DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND

The basic earnings per share of the Company were HK40.9 cents for the year ended 31 March 2018. The Board recommends the payment of a final dividend of HK15.0 cents per Share and a special dividend of HK30.0 cents per Share (2017: a final dividend of HK10.0 cents per Share and a special dividend of HK20.0 cents per Share) to Shareholders whose names appear on the register of members of the Company on 2 August 2018. Along with the interim dividend for the six months ended 30 September 2017, the total dividend for the year ended 31 March 2018 amounts to a total of HK57.0 cents per Share (2017: HK51.0 cents per Share).

Subject to the passing of Resolution 2, the proposed final dividend and special dividend will be payable in cash on or about 15 August 2018.

RESOLUTION 3 — RE-ELECTION OF DIRECTORS

One-third of the Directors will retire from office by rotation at the AGM in accordance with article 84 of the Articles of Association. The retiring Directors include Mr. Cheng Chi-Heng, Conroy, Mr. Cheng Ping-Hei, Hamilton and Mr. Chan Sai-Cheong, being executive Directors; Mr. Cheng Ming-Fun, Paul and Dr. Or Ching-Fai, Raymond, both being independent non-executive Directors. All the retiring Directors, being eligible, offer themselves for re-election at the AGM.

Re-election of each of the above Directors will be put forward for voting separately in Resolutions 3(a) to 3(e). Information relating to these Directors which is required to be disclosed under the Listing Rules is set out in Appendix I of this circular.

The Board consists of 15 Directors, including 9 executive Directors, 1 non-executive Director and 5 independent non-executive Directors. The nomination committee of the Company has reviewed the structure, size and composition of the Board and is of the view that a diverse Board with appropriate mix of skills and experience is essential for the Group to achieve its strategic objectives of exploring opportunities in business innovation and technological transformation by leveraging on the existing competitive edges of the Group. Information about the Board's composition, diversity and independence in decision making is set out in the sub-section "Board Governance" under the section "Corporate Governance" of the 2018 Annual Report.

BUSINESS OF ANNUAL GENERAL MEETING

Having considered the information set out in Appendix I of this circular, the Board is of the view that all retiring Directors who offer themselves for re-election at the AGM are of sufficient calibre and experience and have devoted sufficient time and efforts to the Company's affairs. Mr. Cheng Ming-Fun, Paul and Dr. Or Ching-Fai, Raymond, as independent non-executive Directors, are independent in character and judgment and have been presenting objective and constructive challenges to the proposals discussed in the meetings of the Board and Board committees. Further, Mr. Cheng and Dr. Or both have confirmed that they meet the independence criteria as set out in the Listing Rules.

The Board considers that the re-election of all the retiring Directors is in the best interest of the Company and Shareholders as a whole.

Subject to the passing of Resolution 3(f), the Board will be authorised to fix the remuneration of the Directors. The remuneration of the Directors will be reviewed by the remuneration committee of the Company according to the Company's remuneration policy which ensures that no Director should vote on any resolution relating to his own remuneration.

RESOLUTION 4 — CHANGE OF AUDITOR AND FIXING AUDITOR'S REMUNERATION

Deloitte Touche Tohmatsu has been holding office as the independent auditor of the Company since the incorporation of the Company in 2011. The Board is of the view that, as a good corporate governance measure, the Company should consider rotation of its auditor after an appropriate period of time. The Board therefore proposes not to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company upon expiration of its current term of office with effect from the close of the AGM.

The Board resolved, with the recommendation from the Audit Committee of the Company, to propose the appointment of PricewaterhouseCoopers as the new independent auditor of the Company following the retirement of Deloitte Touche Tohmatsu, subject to the approval of shareholders of the Company at the AGM.

Pursuant to Rule 13.51(4) of the Listing Rules, the Company has received a confirmation letter dated 7 June 2018 from Deloitte Touche Tohmatsu confirming that there are no matters in relation to its retirement that need to be brought to the attention of the Shareholders. The Board has also confirmed that there are no other matters in relation to the proposed change of auditor that need to be brought to the attention of the Shareholders.

RESOLUTION 5 — GENERAL MANDATE TO ISSUE SHARES

Given the general mandate to issue Shares granted by Shareholders at the last annual general meeting will lapse at the conclusion of the AGM, it is proposed to renew the mandate at the AGM.

BUSINESS OF ANNUAL GENERAL MEETING

The Issue Mandate size is limited to, and does not exceed, 20% of the aggregate nominal value of the issued Shares at the date of passing the relevant resolution. Any Shares to be allotted and issued for cash consideration under the authority granted by the Issue Mandate shall not be at a discount of 20% or more to the “benchmarked price” pursuant to Rule 13.36(5) of the Listing Rules.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issue Mandate. The main purpose of the Issue Mandate is to give the Directors flexibility to issue and allot Shares pursuant to any capital raising need that may arise from time to time where the Directors believe it is in the best interests of Shareholders to do so.

Details of the proposed resolution on the Issue Mandate are set out in Resolution 5 of the notice of the AGM.

RESOLUTION 6 — GENERAL MANDATE TO REPURCHASE SHARES

Given the general mandate to repurchase Shares granted by Shareholders at the last annual general meeting will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant to the Directors a general mandate to repurchase Shares not exceeding 10% of the aggregate nominal value of the issued Shares at the date of the passing of the relevant resolution.

The Repurchase Mandate to be sought from Shareholders is in compliance with the Listing Rules. An explanatory statement, as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II of this circular, which contains the information reasonably necessary to enable Shareholders to make an informed decision on whether or not to support the proposed resolution.

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Repurchase Mandate and they will not exercise the Repurchase Mandate to such an extent that the public holding of Shares would be reduced below 10.7% of the issued share capital of the Company, which is a lower minimum percentage of public float accepted at the discretion of the Stock Exchange.

Details of the proposed resolution on the Repurchase Mandate are set out in Resolution 6 of the notice of the AGM.

RESOLUTION 7 — EXTENSION OF GENERAL MANDATE TO ISSUE SHARES BY THE AGGREGATE NOMINAL AMOUNT OF SHARES REPURCHASED

An ordinary resolution will be proposed at the AGM to extend the Issue Mandate by adding the aggregate nominal amount of Shares repurchased under the Repurchase Mandate granted by Shareholders at the AGM. Details of the proposed resolution are set out in Resolution 7 of the notice of the AGM.

In accordance with article 84 of the Articles of Association, Mr. Cheng Chi-Heng, Conroy, Mr. Cheng Ping-Hei, Hamilton and Mr. Chan Sai-Cheong, being executive Directors; Mr. Cheng Ming-Fun, Paul and Dr. Or Ching-Fai, Raymond, being independent non-executive Directors, will retire from office by rotation at the AGM. All the retiring Directors, being eligible, offer themselves for re-election at the AGM.

Brief biographical and other details of the retiring Directors which are required to be disclosed under the Listing Rules are set out below.

1. **Mr. Cheng Chi-Heng, Conroy**, aged 40, joined the Group in 2007. He was appointed as an executive director of the Company in July 2011. Mr. Cheng is responsible for the procurement of diamonds and gemstones of the Group. He is also a director of certain subsidiaries of the Group, a director of a substantial shareholder of the Company, Chow Tai Fook (Holding) Limited and its subsidiary, Chow Tai Fook Enterprises Limited.

Mr. Cheng holds a Bachelor of Arts degree in Economics from The Western University (formerly known as The University of Western Ontario). Prior to joining the Group, Mr. Cheng had worked at Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive.

Mr. Cheng is an executive director of New World Development Company Limited, which is a listed public company in Hong Kong. He was a non-executive director of China Huishan Dairy Holdings Company Limited until his resignation in June 2015. Mr. Cheng is currently a member of the executive committee of the Diamond Federation of Hong Kong, China.

Mr. Cheng's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Cheng is entitled to receive a director's fee of HK\$200,000 per annum. For the year ended 31 March 2018, the total remuneration of Mr. Cheng amounted to HK\$4.0 million which included director's fee, salaries and other benefits, performance-based bonus and retirement benefits. The remuneration of Mr. Cheng was determined with reference to the prevailing market conditions, Mr. Cheng's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time. Mr. Cheng is a nephew of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kam-Biu, Wilson and a cousin of Dr. Cheng Chi-Kong, Adrian, all of whom are Directors. He is also a nephew of Mr. Cheng Sek-Hung, Timothy and a grand-nephew of Mr. Cheng Yu-Wai, who are Honorary Advisers to the Board. Mr. Cheng does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Cheng involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Cheng that need to be brought to the attention of the Shareholders.

2. **Mr. Cheng Ping-Hei, Hamilton**, aged 43, joined the Group in 2004. He was appointed as an executive director of the Company in July 2011. Mr. Cheng is responsible for the Group's financial management and corporate operations, including information technology and human capital management. He also serves as a joint company secretary of the Company. Mr. Cheng is a director of certain subsidiaries of the Group.

Mr. Cheng holds a Bachelor of Business Administration degree in Professional Accountancy from The Chinese University of Hong Kong. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of The Association of Chartered Certified Accountants and a Chartered Financial Analyst. He is also a Graduate of HKIoD Global Directorship Programme (HKIoD.GD) accredited by The Hong Kong Institute of Directors, committing to achieving the highest standard of directorship and dedicating to the advancement of good corporate governance. Mr. Cheng was awarded Director of the Year Awards 2015 by the Hong Kong Institute of Directors in December 2015. He was also named as "Asia's Best CFO (Investor Relations) by Corporate Governance Asia, an authoritative regional journal on corporate governance, at its 7th Asian Excellence Award 2017.

Mr. Cheng's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Cheng is entitled to receive a director's fee of HK\$200,000 per annum. For the year ended 31 March 2018, the total remuneration of Mr. Cheng amounted to HK\$5.7 million which included director's fee, salaries and other benefits, performance-based bonus and retirement benefits. The remuneration of Mr. Cheng was determined with reference to the prevailing market conditions, Mr. Cheng's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time. Mr. Cheng is not related to any Director, senior management, substantial or controlling shareholders of the Company. Save for 4,800 Shares held in Mr. Cheng's personal capacity, he does not have other interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Cheng involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Cheng that need to be brought to the attention of the Shareholders.

3. **Mr. Chan Sai-Cheong**, aged 55, joined the Group in 1985. He was appointed as an executive director of the Company in July 2011. Mr. Chan is responsible for the Group's business in Mainland China. Mr. Chan is also a director of certain subsidiaries of the Group.

Mr. Chan has been in the jewellery industry for 37 years. He is an administrative director of the Gems and Jewellery Trade Association of China, a member of the standing council of China Gold Association, a member of National Technical Committee 298 on Jewelry and Jade of Standardization Administration of China,

an executive vice-chairman of the Guangdong Gold and Silver Jewellery Chamber of Commerce, a vice-chairman of the Shenzhen Gold & Jewellery Association, a general vice-chairman of Gold Association of Guangdong Province, a vice-chairman of the Guangdong Golden Jewellery and Jade Industry's Association and a director of the Gemmological Institute, China University of Geosciences (Wuhan). He is also a member of the Liaoning Provincial Committee of the Chinese People's Political Consultative Conference. Mr. Chan is a non-executive director of Giordano International Limited, which is a listed public company in Hong Kong.

Mr. Chan's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Chan is entitled to receive a director's fee of HK\$200,000 per annum. For the year ended 31 March 2018, the total remuneration of Mr. Chan amounted to HK\$7.2 million which included director's fee, salaries and other benefits, performance-based bonus and retirement benefits. The remuneration of Mr. Chan was determined with reference to the prevailing market conditions, Mr. Chan's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time. Mr. Chan is not related to any Director, senior management, substantial or controlling shareholders of the Company. Save for 12,000 Shares held in Mr. Chan's personal capacity, he does not have other interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Chan involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Chan that need to be brought to the attention of the Shareholders.

4. **Mr. Cheng Ming-Fun, Paul**, JP, aged 81, was appointed as an independent non-executive director of the Company in September 2012 and is a member of the audit committee and nomination committee of the Company.

Mr. Cheng holds a Bachelor of Arts degree from Lake Forest College (Illinois, the United States) and a Master's degree in Business Administration from the Wharton Graduate School of Business at The University of Pennsylvania.

He is deputy chairman and an independent non-executive director of Esprit Holdings Limited, a listed public company in Hong Kong; an independent non-executive director of Pacific Alliance China Land Limited (a company listed on the AIM Board of the London Stock Exchange); and a director of the CHG Capital Growth Fund. He was also an independent non-executive director of Global Logistic Properties Limited (which was listed on the Singapore Stock Exchange until its delisting on 22 January 2018). He was a former member of the Hong Kong Legislative Council as well as the former chairman of Inchcape Pacific Limited, N M Rothschild & Sons (Hong Kong) Limited, The Link Management Limited and the Hong Kong General Chamber of Commerce.

Mr. Cheng's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Mr. Cheng is entitled to receive a director's fee of HK\$400,000 per annum. The remuneration of Mr. Cheng was determined with reference to the prevailing market conditions, Mr. Cheng's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time. Mr. Cheng is not related to any Director, senior management, substantial or controlling shareholders of the Company. Mr. Cheng does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Mr. Cheng involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Mr. Cheng that need to be brought to the attention of the Shareholders.

5. **Dr. Or Ching-Fai, Raymond**, aged 68, was appointed as an independent non-executive director of the Company in November 2011 and is chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company.

Dr. Or holds a bachelor of social sciences degree in economics and psychology from the University of Hong Kong and was awarded an Honorary Doctor of Social Science from the City University of Hong Kong in 2014. He was conferred Honorary Fellowship by Hang Seng Management College in May 2017.

Dr. Or is also chairman and a non-executive director of China Strategic Holdings Limited (re-designated from chief executive officer and an executive director with effect from 1 April 2018), executive chairman and executive director of Esprit Holdings Limited (re-designated from an independent non-executive director with effect from 1 April 2018), and an independent non-executive director of Industrial and Commercial Bank of China Limited, Television Broadcasts Limited and Regina Miracle International (Holdings) Limited, all of which are listed public companies in Hong Kong. Dr. Or was vice-chairman and an independent non-executive director of G-Resources Group Limited until his retirement on 30 June 2017. He was also deputy chairman and a non-executive director of Aquis Entertainment Limited (a company listed on the Australian Securities Exchange) until his resignation on 31 December 2017.

Dr. Or's appointment as Director is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Dr. Or is entitled to receive a director's fee of HK\$400,000 per annum. The remuneration of Dr. Or was determined with reference to the prevailing market conditions, Dr. Or's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's remuneration committee from time to time. Dr. Or is not related to any Director,

senior management, substantial or controlling shareholders of the Company. Dr. Or does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no other information discloseable nor is/was Dr. Or involved in any of the matters required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and the Directors are not aware of any other matters regarding Dr. Or that need to be brought to the attention of the Shareholders.

This Appendix serves as an explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the Repurchase Mandate proposed to be granted to the Directors at the AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was 50,000,000,000 Shares, of which a total of 10,000,000,000 Shares were issued and fully paid.

Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased following the Latest Practicable Date and up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,000,000,000 Shares during the period from the passing of the resolution approving the Repurchase Mandate at the AGM up to (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held, or (iii) the revocation or variation of such mandate by ordinary resolution of Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors 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 its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Any repurchase of Shares will be made out of funds which are legally available for the purpose in accordance with the Articles of Association and the Companies Law of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any repurchase by the Company may be made out of profits of the Company, out of the Company's share premium account, out of proceeds of a new issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be paid out of profits of the Company or from sums standing to the credit of the Company's share premium account or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital.

As compared with the financial position of the Company as at 31 March 2018 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there might be a material adverse impact on the working capital or the gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

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, the applicable laws of the Cayman Islands and the Articles of Association.

6. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors' exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

If the Repurchase Mandate were exercised in full, the shareholding percentage of the Shareholders, who have an interest in 5% or more of the issued share capital of the Company (based on the number of the Shares they held as at the Latest Practicable Date), before and after such repurchase would be as follows:

Name of Shareholder	Number of Shares held	Percentage of Company's existing shareholding	Percentage of Company's shareholding if the Repurchase Mandate is exercised in full
Cheng Yu Tung Family (Holdings) Limited	8,933,937,400	89.3	99.3
Cheng Yu Tung Family (Holdings II) Limited	8,933,937,400	89.3	99.3
Chow Tai Fook Capital Limited	8,933,937,400	89.3	99.3
Chow Tai Fook (Holding) Limited	8,933,937,400	89.3	99.3

Note: As at the Latest Practicable Date, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 49.0% and 46.7% interest in Chow Tai Fook Capital Limited respectively, which in turn held an approximately 81.0% interest in Chow Tai Fook (Holding) Limited and accordingly each of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited is deemed to have an interest in the Shares held by Chow Tai Fook (Holding) Limited under the SFO. As at the Latest Practicable Date, Chow Tai Fook (Holding) Limited held 8,933,937,400 Shares directly.

In the event that the Repurchase Mandate is exercised in full, the shareholding of these Shareholders in the Company would be increased as shown in the table above. Accordingly, they will not be required under the Takeovers Code to make a mandatory offer for all the issued Shares as a result of such increase.

The Directors will not exercise the Repurchase Mandate to such an extent that the public holding of Shares would be reduced below 10.7% of the issued share capital of the Company, which is a lower minimum percentage of public float accepted at the discretion of the Stock Exchange.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

8. SHARE PRICES

During each of the previous 12 months immediately prior to the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:

	Share prices (per Share)	
	Highest (HK\$)	Lowest (HK\$)
2017		
June	9.17	7.98
July	8.44	7.87
August	8.34	8.00
September	9.47	8.07
October	9.39	8.12
November	9.40	8.02
December	8.58	8.04
2018		
January	8.89	8.07
February	9.00	8.18
March	9.26	8.45
April	10.68	8.84
May	10.80	9.86
June (up to and including the Latest Practicable Date)	11.54	10.12

Source: quoted prices from the Stock Exchange's website (www.hkex.com.hk)

1. WHO IS ELIGIBLE TO ATTEND AND VOTE

Shareholders whose names appear on the register of members of the Company on 26 July 2018 (the date of the AGM) are eligible to attend and vote at the AGM.

The register of members of the Company will be closed and no transfer of Shares will be registered from Monday, 23 July 2018 to Thursday, 26 July 2018, both dates inclusive. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 20 July 2018.

2. HOW TO VOTE

Registered Shareholders

(a) *Attending in person*

You are entitled to attend and vote at the AGM in person or, in the case of a corporation, by its duly authorised representative. A corporation must submit a properly executed proxy form or corporate representative authorisation.

(b) *By proxy*

If you do not plan to attend the AGM, you may appoint the chairman of the AGM or any person of your choice, who needs not be a Shareholder, as your proxy to attend and vote on your behalf at the AGM.

You may appoint more than one proxy to represent you provided that the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.

Non-registered Shareholders

If you are a non-registered Shareholder, i.e. your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive a proxy form directly from the Company, and you have to give instructions to your intermediary/nominee to vote on your behalf. If you wish to attend and vote at the AGM, you should seek an authorisation from your intermediary/nominee directly.

3. PROXY APPOINTMENT

Form of proxy

A form of proxy is enclosed with this circular or can be downloaded from the Investor Relations section of the Company's corporate website (corporate.chowtaifook.com) and the HKEXnews website (www.hkexnews.hk). If you appoint more than one proxy, you must specify the number of Shares each proxy is appointed to represent.

Voting by proxies

If you have properly completed and returned a proxy form, the person named in the proxy form will be authorised to attend the AGM and vote on your behalf. If you have clearly specified in the proxy form how you wish your votes to be cast, your proxy must cast your votes in accordance with your specified instructions. In the absence of any instructions given in respect of a resolution, your proxy will be entitled to cast your votes at his/her discretion or to abstain from voting in respect of that resolution. Your proxy will also be entitled to cast your votes at his/her discretion or to abstain from voting on any other resolution properly put to the AGM other than those referred to in the notice of the AGM.

In order to be valid, you are requested to complete the proxy form in accordance with the instructions printed on it and return the completed proxy form to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible so that it is received at least 48 hours before the time appointed for the AGM or any adjourned meeting (as the case may be) ("**Closing Time**"). Submission of a proxy form shall not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish and in such event, the proxy form shall be deemed to be revoked.

4. HOW TO REVOKE A PROXY GIVEN

Registered Shareholders

If you have returned a proxy form, you may revoke it by completing and signing a proxy form bearing a later date, and lodging it with the Company's Hong Kong branch share registrar. In order to be valid for voting purpose, this latter proxy form should be received by the Company's Hong Kong branch registrar before the Closing Time.

You should also note that your proxy's authority to vote on a resolution is to be regarded as revoked if you attend in person and vote on that particular resolution at the AGM.

Non-registered Shareholders

If you are a non-registered Shareholder and wish to revoke an authorisation appointing a person to vote on your behalf, you should contact your intermediary or nominee directly to revoke your authorisation.

5. VOTING ARRANGEMENTS

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, voting on all the resolutions proposed at the AGM will be taken by way of poll.

Article 66(1) of the Articles of Association provides that on a poll, subject to any special rights or restrictions as to voting for the time being attached to any Shares by the Articles of Association, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder.

None of the Shareholders is required to abstain from voting at the AGM pursuant to the Listing Rules and/or the Articles of Association.

6. POLL RESULTS

After being verified by the scrutineer, the poll results will be published on the Company's corporate website (corporate.chowtaifook.com) and the HKEXnews website (www.hkexnews.hk).

7. TYPHOON ARRANGEMENTS

The above meeting will be adjourned if any of the following events happens on the date of such meeting:

- (a) at 9:00 a.m., a tropical cyclone warning signal no. 8 or above is in force in Hong Kong; or
- (b) at 11:00 a.m. or earlier, the Hong Kong Observatory has issued a pre-no. 8 special announcement to give an that a tropical cyclone warning signal no. 8 is expected within 2 hours.

The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and its corporate website (corporate.chowtaifook.com) to notify shareholders of the date, time and place of the adjourned meeting.

The meeting will be held as scheduled when amber, red or black rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.

Shareholders may contact the Company's Hong Kong branch share registrar's customer service hotline at (852) 2980 1333 during business hours (9:00 a.m. to 6:00 p.m., Monday to Friday, excluding Hong Kong public holidays) for details of the postponement or the meeting arrangements.