
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Sa Sa International Holdings Limited (the “Company”), you should at once hand this circular together with the attached proxy form and the annual report of the Company for the year ended 31 March 2019 (the “Annual Report”) 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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SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 178)

**NOTICE OF ANNUAL GENERAL MEETING,
PROPOSALS INVOLVING RE-ELECTION OF DIRECTORS,
AND
GENERAL MANDATES TO ISSUE NEW SHARES AND BUY BACK SHARES**

The notice convening the annual general meeting of the Company to be held at 16/F, V Point, 18 Tang Lung Street, Causeway Bay, Hong Kong on Monday, 2 September 2019, at 12:30 p.m. (“AGM”) is set out on pages 3 to 6 of this circular. Shareholders are advised to read the notice and to complete and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and in any event so that it arrives no later than 48 hours before the commencement of the AGM.

Shareholders or proxies who attend the AGM in person will each receive one set of souvenir as a token of the Company’s appreciation. If a shareholder is also appointed as proxy/proxies of other shareholder(s), or if a proxy represents multiple shareholders, the allocation of additional number of souvenirs is entirely at the discretion of the Company and is subject to the availability of souvenirs.

22 July 2019

LETTER FROM BOARD OF DIRECTORS



SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 178)

Executive Directors

Dr KWOK Siu Ming Simon, *SBS, JP*
(Chairman and Chief Executive Officer)
Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP*
(Vice-chairman)
Dr LOOK Guy *(Chief Financial Officer)*

Registered office

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Principal place of business

in Hong Kong
8th Floor, Block B
MP Industrial Centre
18 Ka Yip Street
Chai Wan
Hong Kong

Independent Non-executive Directors

Ms TAM Wai Chu Maria, *GBM, GBS, JP*
Ms KI Man Fung Leonie, *GBS, SBS, JP*
Mr TAN Wee Seng

22 July 2019

Dear Shareholders,

On behalf of the Board, it is my pleasure to invite you to the AGM to be held at 16/F, V Point, 18 Tang Lung Street, Causeway Bay, Hong Kong on Monday, 2 September 2019, at 12:30 p.m.

The notice of AGM and information regarding the business to be considered are set out in this circular. A proxy form for use at the AGM is attached. Whether or not you intend to attend the AGM, you are advised to complete, sign and return the proxy form to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable and in any event so that it arrives no later than 48 hours before the commencement of the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM and at any adjournment thereof, should you so wish to do so.

LETTER FROM BOARD OF DIRECTORS

The Board considers that the proposed resolutions as set out in the notice of AGM are in the best interests of the Company and its shareholders, and recommends you to vote in favour of the resolutions.

I will demand that each of the proposed resolutions be voted by way of a poll. The poll results will be posted on the website of the Company and that of the Stock Exchange after the market closes on the day of the AGM.

Yours faithfully,
By order of the Board
Sa Sa International Holdings Limited
KWOK Siu Ming Simon
Chairman and Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING



SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 178)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Sa Sa International Holdings Limited (the “**Company**”) will be held at 16/F, V Point, 18 Tang Lung Street, Causeway Bay, Hong Kong on Monday, 2 September 2019, at 12:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the report of the directors and the report of the independent auditor for the year ended 31 March 2019.
2. To declare a final dividend for the year ended 31 March 2019.
3. (1) To re-elect the following directors of the Company:
 - (a) Dr LOOK Guy as executive director; and
 - (b) Mr TAN Wee Seng as independent non-executive director.(2) To authorise the board of directors to fix their remuneration.
4. To re-appoint PricewaterhouseCoopers as auditor and to authorise the board of directors to fix its remuneration.
5. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:
 - (1) “**THAT:**
 - (a) subject to paragraph (c) below, a general mandate be unconditionally granted to the directors of the Company (“**Directors**”) to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and deal with additional shares in the Company and to make or grant offers, agreements, options and warrant (including securities convertible into shares of the Company) which would or might require the exercise of such powers;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the mandate in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) any options granted under the share option schemes adopted by the Company; (iii) any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the total number of shares of the Company in issue at the date of passing of this resolution (subject to adjustment in the case of any subdivision and consolidation of shares after passing of this resolution) and the said mandate shall be limited accordingly; and
- (d) for the purpose of this resolution:

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

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

“Rights Issue” means an offer of shares or an issue of options, warrants or other securities giving the right to subscribe for shares, open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register of members of the Company 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

- (2) **“THAT:**
- (a) a general mandate be unconditionally granted to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back or otherwise acquire shares of the Company in accordance with all applicable laws and/or requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**), provided that the total number of shares so bought back and otherwise acquired shall not exceed 10% of the total number of shares of the Company in issue at the date of passing of this resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing of this resolution) (the **“Share Buy-back Mandate”**); and
 - (b) 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 articles of association of the Company or any applicable laws of Cayman Islands to be held; and
 - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
- (3) **“THAT** subject to the passing of the ordinary resolutions numbered 5(1) and 5(2) set out in the notice of annual general meeting, the total number of shares of the Company which are bought back or otherwise acquired by the Company pursuant to the said resolution numbered 5(2) shall be added to the total numbers of shares of the Company which may be issued pursuant to the resolution numbered 5(1).”

By order of the Board
Sa Sa International Holdings Limited
MAK Sum Wun Simmy
Company Secretary

Hong Kong, 22 July 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend, speak and vote at a meeting of the Company shall be entitled to appoint one or more proxies (who must be an individual) to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto, but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the relevant joint holding.
3. In order to be valid, the completed proxy form must be received by the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited ("**Tricor**") at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time appointed for holding the above meeting or any adjourned meeting. If a proxy form is signed by an attorney of a shareholder who is not a corporation, the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong) must be delivered to Tricor together with the proxy form. In the case of a corporation, the proxy form must either be executed under its company stamp or be signed by an officer or agent duly authorised in writing.
4. For the purpose of ascertaining eligibility to attend, speak and vote at the annual general meeting to be held on Monday, 2 September 2019, the register of members of the Company will be closed from Wednesday, 28 August 2019 to Monday, 2 September 2019, both dates inclusive, during which period no transfer of shares of the Company will be effected. To be eligible to attend, speak and vote at the above meeting (or at any adjournment of it), all transfers accompanied by the relevant share certificates must be lodged with Tricor, not later than 4:30 p.m. on Tuesday, 27 August 2019.
5. The registration for attending the annual general meeting will start at 12:00 noon on 2 September 2019.
6. If a Typhoon Signal No. 8 or above remains hoisted or a Black Rainstorm Warning Signal is in force at 9:00 a.m. on the date of the annual general meeting, the annual general meeting will be postponed or adjourned. The Company will post an announcement on the website of the Company and that of the Stock Exchange to notify shareholders of the details of the rescheduled meeting.

The annual general meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should make their own decision as to whether they would attend the annual general meeting under bad weather conditions bearing in mind their own situation.

As at the date of this notice, the directors of the Company are:

Executive Directors

Dr KWOK Siu Ming Simon, *SBS, JP (Chairman and Chief Executive Officer)*
Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP (Vice-chairman)*
Dr LOOK Guy (*Chief Financial Officer*)

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Independent Non-executive Directors

Ms TAM Wai Chu Maria, *GBM, GBS, JP*
Ms KI Man Fung Leonie, *GBS, SBS, JP*
Mr TAN Wee Seng

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

RESOLUTION 1 – RECEIVING THE AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company and the respective reports of the directors and independent auditor for the year ended 31 March 2019 are set out in the Annual Report which are available in English and Chinese on the Company's website at <http://corp.sasa.com> and the website of the Stock Exchange at www.hkexnews.hk.

The financial statements have been reviewed by the Audit Committee and audited by PricewaterhouseCooper (“**PwC**”).

RESOLUTION 2 – DECLARATION OF FINAL DIVIDEND

The Board has recommended a final dividend of 9.0 HK cents (2018: 11.0* HK cents) per share for the year ended 31 March 2019. Subject to the approval by shareholders at the AGM, such dividend will be payable to shareholders whose names appear on the register of members on 9 September 2019.

The proposed final dividend will be offered with a scrip alternative for shareholders to elect to receive such final dividend wholly or partly in the form of new fully paid shares instead of in cash. The new shares to be issued pursuant to the scrip dividend scheme are conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the new shares.

A circular containing details of this scrip dividend scheme will be despatched to shareholders together with an election form for the scrip dividend in the middle of September 2019.

RESOLUTIONS 3 – RE-ELECTION OF DIRECTORS

In accordance with the articles of association of the Company, Dr LOOK Guy, Ms TAM Wai Chu Maria and Mr TAN Wee Seng will retire by rotation at the AGM. All being eligible for re-election, Dr LOOK Guy and Mr TAN Wee Seng have agreed to offer themselves for re-election whereas Ms TAM Wai Chu Maria has informed the Board that she will retire as a director with effect from the conclusion of the AGM and will not offer herself for re-election.

Director who has served for more than nine years

Mr Tan has served as independent non-executive director (“**INED**”) of the Company for more than nine years. Mr Tan was first appointed as a non-executive director on 11 March 2010 and re-designated as an INED on 26 June 2012. Although Mr Tan has been on the Board for over nine years, it is well recognised that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. The Nomination Committee and the Board have reviewed the annual written independence confirmation of Mr Tan, and assessed his independence based on the independence guidelines set out in rule 3.13 of the Listing Rules and noted that none of the

* Excluding the special dividend of 3.0 HK cents per share in commemoration of the 40th anniversary of the Group.

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

factors set out in rule 3.13 applies. In assessing the independence of Mr Tan, the Board and the Nomination Committee have also considered the character and judgement demonstrated by his commitment and contribution during his years of service and other relevant factors. The Board is of the view that despite his length of service, Mr Tan maintains an independent mindset and provides invaluable expertise, experience, continuity and stability to the Board, and the Company has benefited greatly from his contribution and valuable insights derived from his in-depth knowledge of the Company. Mr Tan is an accountant. His professional knowledge as well as his insights on the China market, in particular, contributed to the Board's diversity of experience. Based on the above, the Board considers Mr Tan to be independent and believes that he will continue to contribute effectively to the Board.

Director holding seven listed company directorships

Based on information available to the Company, Mr Tan is holding seven directorships (including the directorship in the Company) in companies listed in either Hong Kong or New York as at 15 July 2019 (the "**Latest Practicable Date**", being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein). Given all such directorships are of independent non-executive in nature and do not require Mr Tan to devote his full time and attention to the affairs of those companies, the Board is of the view that Mr Tan is able to devote sufficient time to the affairs of the Board notwithstanding the other directorships that he is holding. The Board noted, further, that Mr Tan has maintained a 100% attendance rate of all the board and board committee meetings as well as general meetings of the Company that he is eligible to attend in the last three financial years. In view of the above, the Board considers that Mr Tan is able to devote sufficient time to perform his responsibilities as an INED of the Company, and proposes that he stands for re-election at the AGM.

The Nomination Committee nominated Mr TAN Wee Seng to the Board for it to propose to shareholders of the Company for re-election at the AGM. The Board recommends the re-election of Mr Tan by separate resolution.

Details of the Directors proposed for re-election at the AGM are set out in Appendix I of this circular.

RESOLUTION 4 – RE-APPOINTMENT OF AUDITOR

The Audit Committee has recommended to the Board, and the Board proposes that PricewaterhouseCoopers be re-appointed as the external auditor of the Company for the year ending 31 March 2020.

RESOLUTION 5 – GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 3 September 2018, ordinary resolutions were passed giving general mandates to the Directors (i) to allot, issue and otherwise deal with shares equal to 20% of the total number of shares of the Company in issue at 3 September 2018; and (ii) to buy back shares of the Company on the Stock Exchange up to 10% of the total number of shares of the Company in issue at 3 September 2018. Such general mandates

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

will lapse at the conclusion of the AGM. Resolutions will be proposed at the AGM to give the Directors the mandates to allot or issue new shares or to grant rights to subscribe for or convert to new shares and buy back shares in accordance with the terms of those resolutions.

Based on the 3,095,602,403 shares in issue as at 15 July 2019, being the Latest Practicable Date (and assuming that there is no change in respect of the total number of shares of the Company in issue after the Latest Practicable Date and up to the date of passing of the relevant resolution), the Directors will be authorised under the general mandate to issue a maximum of 619,120,480 shares and buy back a maximum of 309,560,240 shares, subject to adjustment in the case of any subdivision and consolidation of shares after the AGM.

The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed general mandate for the share buy-back is set out in Appendix II of this circular.

BOARD RECOMMENDATIONS

The Directors consider that each of the Resolutions (1) to (5) as set out in the Notice of AGM is in the best interests of the Company and its shareholders as a whole, and accordingly, recommend shareholders to vote in favour of the proposed resolutions.

VOTING BY POLL

On a poll, every member present in person (or in the case of a corporation by its corporate representative) or by proxy (including where more than one proxy is appointed) shall have one vote for each share in the Company of which he/she is the holder. All shareholders, corporate representatives or proxies who attend the AGM will be given voting papers upon their registration at the AGM. You can cast your votes either for or against each resolution in respect of the number of shares held under your name.

Under the Listing Rules, all votes at the AGM are required to be taken by poll. Accordingly, the Chairman of the AGM will demand a poll regarding the voting for all the resolutions set out in the Notice of AGM. The poll results will be published on the website of the Company and the designated issuer website of the Stock Exchange after market close on the day of the AGM.

The following are the biographical details of the two Directors who will stand for re-election at the forthcoming AGM:

Dr LOOK Guy

Dr Look, aged 62, is the Chief Financial Officer and executive director, a member of the Executive Committee and a member of the Risk Management Committee of the Company, and a director of certain subsidiaries of the Group. Dr Look has over 35 years of experience in local and overseas financial and general management. Prior to joining Sa Sa in March 2002, he was the Chief Financial Officer and an executive director of Tom.com Limited (renamed TOM Group Ltd.). He holds a Bachelor's degree in Commerce and received a degree of Doctor of the University honoris causa from the University of Birmingham, England. Dr Look is an associate member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Dr Look is a member of the Executive Committee and the Education & Training Sub-Committee and the Chairman of the e-Commerce Sub-Committee of the Hong Kong Retail Management Association, a member of the CNBC Global CFO Council and a fellow member and a member of the Advisory Board of the Hong Kong Investor Relations Association.

Save as aforesaid, Dr Look does not hold any other position within the Company and its subsidiaries and does not hold any other directorships in the last three years in companies the securities of which are listed on any securities market in Hong Kong or overseas, and he does not have any other major appointments or professional qualifications.

There is no service contract between Dr Look and the Company. He is subject to retirement by rotation and re-election at annual general meetings in accordance with the provisions of the articles of association of the Company and the Listing Rules. The total director's emoluments received by Dr Look in the year ended 31 March 2019 was approximately HK\$3,505,000. His director's emoluments were determined by the Board following recommendations by the Remuneration Committee with reference to Dr Look's duties, responsibilities, experience, qualifications, prevailing market conditions and the Group's performance.

Dr Look is a cousin of Ms Lee Yun Chun Marie-Christine (a non-executive director of the Company). Save as the above, he does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr Look has personal interest of 350,000 shares, 100,000 outstanding awarded shares granted on 21 June 2019 and outstanding share options to subscribe for a maximum of 22,145,988 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Details of the personal interest and the outstanding share options are shown in the section "Report of the Directors" in the Annual Report. Save as aforesaid, Dr Look does not have any other interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as aforesaid, the Company is not aware of any other matters relating to the re-election of Dr Look that need to be brought to the attention of the shareholders nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

Mr TAN Wee Seng

Mr Tan, aged 63, was appointed as a non-executive director of the Company on 11 March 2010 and was re-designated from a non-executive director to an independent non-executive director on 26 June 2012. Mr Tan was appointed as the Chairman of Audit committee of the Company on 1 January 2017. Mr Tan is a professional in value and business management consultancy. He is an independent director and Chairman of Audit Committee of ReneSola Ltd whose shares are listed on the New York Stock Exchange, an independent non-executive director and Chairman of Audit Committee of Xtep International Holdings Limited, Sinopharm Group Co. Ltd. and CIFI Holdings (Group) Co. Ltd., an independent non-executive director and Chairman of Remuneration Committee of Health and Happiness (H&H) International Holdings Limited and an independent non-executive director, Chairman of Audit Committee and Remuneration Committee of Shineroad International Holdings Limited, all the shares of which are listed on the Main Board of the Stock Exchange. He is also a board member and Chairman of the Finance and Operation Committee of Beijing City International School. Mr Tan was an independent director and Chairman of the Audit Committee of 7 Days Group Holdings Limited whose shares were listed on the New York Stock Exchange between November 2009 and July 2013 until it was privatised. He was the Chairman of the Special Committee for Privatization of 7 Days Group Holdings Limited from October 2012 to July 2013. Mr Tan has 37 years of financial, operation and business strategy as well as management experience and has also held various senior management positions in a number of multinational and Chinese corporations. From 2003 to 2008, he was an executive director, Chief Financial Officer and Company Secretary of Li Ning Company Limited, the shares of which are listed on the Main Board of the Stock Exchange. From 1999 to 2002, he was the Senior Vice President of Reuters for the China, Mongolia and North Korea regions, and the Chief Representative of Reuters in China. Mr Tan is a fellow member of the Chartered Institute of Management Accountants, United Kingdom, and a fellow member of the Hong Kong Institute of Directors.

Save as aforesaid, Mr Tan does not hold any other position within the Company and its subsidiaries and does not hold any other directorships in the last three years in companies the securities of which are listed on any securities market in Hong Kong or overseas, and he does not have any other major appointments or professional qualifications.

Mr Tan's appointment is governed by a formal letter of appointment but there is no service contract between Mr Tan and the Company. Mr Tan's three-year term of appointment will expire on 25 August 2019. Following the recommendation of the Nomination Committee, the Company offered to re-appoint Mr Tan as an independent non-executive director for a further term of three years commencing from 26 August 2019 to 25 August 2022, subject to retirement by rotation and re-election at annual general meetings in accordance with the provisions of the articles of association of the Company and the Listing Rules, which has been accepted by Mr Tan. The Director's fees payable to Mr Tan is HK\$257,400 per annum, plus an additional annual fee of HK\$150,000 for his role as the Chairman of the Audit Committee, which were determined by the Board following recommendations by the Remuneration Committee with reference to the fees payable by companies of comparable business and scale.

As at the Latest Practicable Date, Mr Tan has outstanding share options to subscribe for a maximum of 100,000 shares in the Company which will be vested on 13 April 2020 and are exercisable at an exercise price of HK\$4.65 per share. Details of the above interests are shown in the section “Report of the Directors” in the Annual Report. Save as aforesaid, Mr Tan does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

Save as aforesaid, the Company is not aware of any other matters relating to the re-election of Mr Tan that need to be brought to the attention of the shareholders nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

Note: Details of the Director’s emoluments for the year ended 31 March 2019 are set out in note 7 to the consolidated financial statements in the Annual Report.

This Appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the shareholders with all the information necessary for their consideration of the Share Buy-back Mandate. Reference in this Appendix to “Share(s)” mean the ordinary share(s) of the Company.

1. STOCK EXCHANGE RULES FOR BUY-BACKS OF COMPANY’S OWN SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to buy back their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised in the paragraphs below.

The Listing Rules provide that all proposed buy-backs of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval and that the shares to be bought back must be fully paid up.

2. FUNDING BUY-BACKS

Any buy-backs will be made out of the Company’s internal funds and resources which are legally available for the purpose in accordance with the memorandum and articles of association of the Company, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the Listing Rules. There might be a material adverse effect on the working capital or gearing position of the Group, as compared with the position disclosed in the audited financial statements contained in the latest Annual Report, in the event that the Share Buy-back Mandate is exercised in full at any time. However, the Board does not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or its gearing levels which, in the opinion of the Board, are from time to time appropriate for the Group.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,095,602,403 Shares.

Subject to the passing of the resolution for the grant of the Share Buy-back Mandate at the AGM and on the basis of 3,095,602,403 Shares in issue and assuming no further Shares are issued or bought back between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 309,560,240 Shares during the course of the period ending on the earlier of: (i) the date of the next annual general meeting following the AGM; (ii) the expiration of the period within which the next annual general meeting following the AGM is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; and (iii) the date upon which such Share Buy-back Mandate is revoked or varied.

4. REASONS FOR BUY-BACKS

The Directors believe that it is in the interests of the Company and its shareholders to have a general authority from the shareholders to enable the Directors to buy back Shares on the market. Such buy-backs 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 its earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and its shareholders as a whole.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Share Buy-back Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum and articles of association of the Company. The Company has further confirmed to the Stock Exchange that this Explanatory Statement as set out in this Appendix contains all information required under Rule 10.06(1)(b) of the Listing Rules and that neither the Explanatory Statement as contained herein nor the proposed Share Buy-back Mandate has unusual features.

6. EFFECT OF HONG KONG CODE OF TAKEOVERS AND MERGERS (THE “TAKEOVER CODE”)

As at the Latest Practicable Date, Dr KWOK Siu Ming Simon and his wife, Dr KWOK LAW Kwai Chun Eleanor were beneficially interested in 1,986,062,297 Shares, representing approximately 64.16% of the issued share capital of the Company. Based on such shareholdings and in the event that the Directors exercise in full the power to buy back Shares under the Share Buy-back Mandate, the shareholdings of Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor in the Company would increase to approximately 71.29% of the issued share capital of the Company. The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs made pursuant to the Share Buy-back Mandate as at the Latest Practicable Date. At present, the Directors have no intention to exercise in full the power to buy back Shares under the Share Buy-back Mandate.

7. DIRECTORS, THEIR ASSOCIATES AND THEIR CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention, in the event that the Share Buy-back Mandate is approved by 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 has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the Share Buy-back Mandate is approved by the shareholders.

8. GENERAL

(a) Share buy-back made by the Company

The Company has not bought back any of its Share (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

(b) Share prices

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July	4.96	4.06
August	4.37	3.76
September	4.34	3.46
October	4.35	2.90
November	3.52	3.01
December	3.33	2.75
2019		
January	2.99	2.54
February	3.10	2.70
March	2.85	2.59
April	2.79	2.54
May	2.67	2.13
June	2.48	2.06
July (up to and including the Latest Practicable Date)	2.38	2.21