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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 2020 (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 Thursday, 27 August 2020, at 12:30 p.m. (“AGM”) is set out on pages 4 to 8 of this circular. Whether or not you are able to attend the AGM, you are advised to read the notice and to complete and return the enclosed 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.

Taking into account of the continuing risks posed by the coronavirus (COVID-19) pandemic, the Company will implement precautionary measures and special arrangements in respect of the AGM (please find the details on page 1).

20 July 2020

SPECIAL ARRANGEMENTS FOR THE AGM

Considering the outbreak of the COVID-19, the Company will implement the following precautionary measures and special arrangements at the AGM to protect our shareholders, proxies and attendees from the risk of infection. **To the extent permitted under applicable laws, the Company may limit the number of shareholders attending the AGM as the situation evolves.**

Physical attendance

- Compulsory body temperature check will be conducted for all shareholders, proxies and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.3 degrees Celsius, exhibiting flu-like symptoms or is otherwise unwell will not be admitted to the AGM venue.
- All shareholders, proxies and other attendees are required to wear a face mask before entering the AGM venue and throughout their attendance of the AGM.
- There may be arrangements for attendees to be seated at different designated areas and attendees are required to maintain social distancing at the AGM.
- Any attendee who declines any of the abovementioned measures will be refused admission to the AGM Venue.
- **No souvenir or coupon will be distributed at the AGM.**
- **No food or drinks will be served or allowed at the AGM.**

Shareholders are requested (a) to consider carefully the risk of attending the AGM, which will be held in an enclosed environment, (b) to follow any guidelines or requirements of the HKSAR government relating to COVID-19 in deciding whether or not to attend the AGM and (c) not to attend the AGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19. Shareholders and proxies are also reminded to strictly follow the compulsory quarantine requirement imposed by the Government of the Hong Kong SAR. Persons suspected of breaching quarantine orders will be denied entry and reported.

Shareholders are strongly encouraged to appoint the chairman of the AGM as his / her proxy to vote on the resolutions, instead of attending the AGM in person. The proxy form for the use at the AGM is attached. 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 commencement of AGM or any adjourned meeting. Non-registered shareholders whose shares are held through the Hong Kong Securities Clearing Company Limited, banks, brokers or other custodians are advised to consult with them directly to assist in the appointment of proxy.

SPECIAL ARRANGEMENTS FOR THE AGM

As an alternative to attend the AGM in person, registered shareholders have the option of joining the AGM via the e-Meeting System. Our e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer. It can broaden the reach of the AGM to registered shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 situation, or for other overseas registered shareholders who are unable to attend in person.

Through the e-Meeting System, our registered shareholders will be able to view the live video broadcast and participate in voting and submit questions online. Login details and information have been included in our letters to registered shareholders regarding the e-Meeting System.

How to attend and vote

Shareholders who wish to attend the AGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the AGM in person and vote via smartphone or tablet device at the AGM venue; or
- (2) attend the AGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or
- (3) appoint the Chairman of the AGM or other persons as your proxy to vote on your behalf.

Your proxy's authority and instruction will be revoked if you attend and vote in person at the AGM or via the e-Meeting System.

If you are a non-registered shareholder, you may instruct your banks, brokers or other custodians to appoint a proxy to attend and vote at the AGM on your behalf if you wish.

On-site e-Voting system will be used at the AGM to enhance the efficiency in the poll counting process. This is a full paperless AGM process that facilitates easy and intuitive voting procedures for shareholders.

Due to the ever-evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the AGM arrangements at short notice. Shareholders are advised to check the websites of the Company (<http://corp.sasa.com>) and HKEX (www.hkexnews.hk) for the latest announcement and information relating to the AGM.

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)
Ms KWOK Sze Wai Melody

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Independent Non-executive Directors

Ms KI Man Fung Leonie, *GBS, SBS, JP*
Mr TAN Wee Seng
Mr CHAN Hiu Fung Nicholas, *MH*

Registered office

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

*Principal place of business
in Hong Kong*

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

20 July 2020

Dear Shareholders

On behalf of the Board, it is my pleasure to provide you with details of the AGM to be held at 16/F, V Point, 18 Tang Lung Street, Causeway Bay, Hong Kong on Thursday, 27 August 2020, 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. If you are not able to attend the AGM, you have a right to appoint a proxy to attend and vote on your behalf at the AGM.

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.

All resolutions put to shareholders at the AGM will 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 Thursday, 27 August 2020, 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 independent auditor’s report for the year ended 31 March 2020.
2. (1) To re-elect the following directors of the Company:
 - (a) Dr KWOK Siu Ming Simon as executive director; and
 - (b) Mr KWOK LAW Kwai Chun Eleanor as executive director;
 - (c) Ms KWOK Sze Wai Melody as executive director;
 - (d) Ms LEE Yun Chun Marie-Christine as non-executive director; and
 - (e) Mr CHAN Hiu Fung Nicholas as independent non-executive director.
- (2) To authorise the board of directors to fix their remuneration.
3. To re-appoint PricewaterhouseCoopers as auditor and to authorise the board of directors to fix its remuneration.
4. 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 or warrants (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 4(1) and 4(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 4(2) shall be added to the total numbers of shares of the Company which may be issued pursuant to the resolution numbered 4(1).”

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

Hong Kong, 20 July 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Considering the outbreak of the COVID-19, the Company will implement the following prevention measures at the AGM to protect our shareholders, proxies and other attendees from the risk of infection. To the extent permitted under applicable laws, the Company may limit the number of shareholders attending the AGM as the situation evolves: (i) compulsory body temperature check will be conducted for all shareholders, proxies and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.3 degrees Celsius, exhibiting flu-like symptoms or is otherwise unwell will not be admitted to the AGM venue; (ii) all shareholders, proxies and other attendees are required to wear a face mask before entering the AGM venue and throughout their attendance of the AGM; (iii) no souvenir or coupon will be distributed at the AGM; and (iv) no food or drinks will be served or allowed at the AGM. Any attendee who does not comply with the precautionary measures will be denied entry into the AGM venue, at the absolute discretion of the Company. The Company suggests shareholders that they may appoint the Chairman of the AGM as a proxy to vote on the relevant resolutions, instead of attending the AGM in person.

As an alternative to attend the AGM in person, registered shareholders have the option of joining the AGM via the e-Meeting system. The e-Meeting system will allow registered shareholders to attend, view, hear, submit questions and vote online. The e-Meeting system can be accessed from any location with access to the internet via smart phone, tablet device or computer. Login details and information have been included in our letters to registered shareholders regarding the e-Meeting System.

We are closely monitoring the development of COVID-19 and may implement additional measures which it will announce closer to the date of the AGM.

2. 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.
3. 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.
4. 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.
5. For the purpose of ascertaining eligibility to attend, speak and vote at the annual general meeting to be held on Thursday, 27 August 2020, the register of members of the Company will be closed from Monday, 24 August 2020 to Thursday, 27 August 2020, 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 Friday, 21 August 2020.
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.

NOTICE OF ANNUAL GENERAL MEETING

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*)

Ms KWOK Sze Wai Melody

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Independent Non-executive Directors

Ms KI Man Fung Leonie, *GBS, SBS, JP*

Mr TAN Wee Seng

Mr CHAN Hiu Fung Nicholas, *MH*

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

RESOLUTION 1 – RECEIVING THE AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company together with the report of the directors and the independent auditor's report for the year ended 31 March 2020 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 – RE-ELECTION OF DIRECTORS

Retiring Directors

In accordance with the articles of association of the Company, Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Ms LEE Yun Chun Marie-Christine will retire by rotation at the AGM and, being eligible, all of them have agreed to offer themselves for re-election by the shareholders of the Company at the AGM.

Executive Director appointed by the Board

Ms KWOK Sze Wai Melody was appointed by the Board as an additional executive director on 2 September 2019. Under the articles of association of the Company, she may hold office only until the first annual general meeting following her appointment but is eligible for re-election by the shareholders of the Company at the AGM. Information with regard to Ms Kwok's appointment is contained in an announcement published by the Company on 2 September 2019. The Board proposes that she be re-elected as an executive director.

Independent Non-executive Director appointed by the Board

Mr CHAN Hiu Fung Nicholas was appointed by the Board as an additional independent non-executive director on 2 September 2019. Under the articles of association of the Company, he may hold office only until the first annual general meeting following his appointment but is eligible for re-election by the shareholders of the Company at the AGM.

Mr Chan was nominated for appointment in accordance with the nomination criteria, procedures and process as set out in the Company's Nomination Policy. He is a technology lawyer holding both a Bachelor of Laws degree and a Bachelor of Science (Computer Science) degree. Both the Nomination Committee and the Board are satisfied that his background and his age brought greater diversity to the Board, and that his experience in law, technology, public and community services would provide insightful perspectives and complement the skill mix of the Board. The Nomination Committee and the Board have considered the confirmation of independence submitted by Mr Chan 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 factors set out in rule 3.13 applies. For these reasons, both the Nomination Committee and the Board consider Mr Chan to be independent.

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

The Nomination Committee recommended the Board to propose that Mr Chan be elected as an independent non-executive director at the AGM.

Details of the Directors proposed for re-election at the AGM are set out in Appendix I of this circular. The Board recommends the re-election of each of them by separate resolution.

RESOLUTION 3 – 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 2021.

RESOLUTION 4 – GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 2 September 2019, 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 2 September 2019; 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 2 September 2019. Such general mandates 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 3,103,189,458 shares in issue as at 10 July 2020, 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 620,637,891 shares and buy back a maximum of 310,318,945 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 (4) 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.

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

VOTING BY POLL

On a poll, every shareholder attending (whether in person, by proxy or proxies, via the e-Meeting system or by its corporate representative) 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 in person will vote by an on-site e-voting system to enhance the efficiency in the poll counting process. 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 five Directors who will stand for re-election at the forthcoming AGM:

Dr KWOK Siu Ming Simon, SBS, JP

Dr Kwok, aged 67, is the Chief Executive Officer and an executive director of the Company. He is also the Chairman of the Board and the Chairman of both the Executive Committee and the Risk Management Committee of the Company. Dr Kwok is a director and shareholder of both Sunrise Height Incorporated and Green Ravine Limited, the respective controlling and substantial shareholders of the Company. Both Dr Simon Kwok and Dr Eleanor Kwok have a 50% shareholdings in each of the two companies. Dr Kwok is also a director of certain subsidiaries of the Group.

Dr Kwok together with his wife, Dr Kwok Law Kwai Chun Eleanor, has overseen Sa Sa's operations since the Group's earliest days and successfully listed the Company on the Stock Exchange in June 1997. Over the past 42 years, Dr Kwok has played a leading role in transforming Sa Sa into a leading market player with a regional network of operations in Asia. Dr Kwok is currently a member of the Electoral Conference for Electing Deputies of the Hong Kong Special Administrative Region to the 13th National People's Congress, a member of the Election Committee in the Wholesale and Retail subsector, Honorable Life President of the Cosmetic & Perfumery Association of Hong Kong, Honorary Founding President of the Professional Validation Centre of Hong Kong Business Sector, Honorary Life President of the Hong Kong Brands Protection Alliance, a council member of China Overseas Friendship Association, and a member and a Deputy Director of Economic Affairs Committee of 8th Board of Directors of Friends of Hong Kong Association. Dr Kwok was also a committee member of the Chinese People's Political Consultative Conference of Hubei Province (2008 – 2017), Chairman of Quality Tourism Services Association (Dec 2013 – Dec 2017), Honorary President of the Immigration Service Officers Association (2014 – 2016), Adviser of Quality Tourism Services Association (Dec 2017 – Dec 2019), and a member of Quality Tourism Services Committee and Chairman of Quality Tourism Services Sub-Committee of Hong Kong Tourism Board (2016 – 2019). He is also an elected member of the Board of Trustees of New Asia College, The Chinese University of Hong Kong.

Dr Kwok was named "Business Person of the Year" at the DHL/SCMP Hong Kong Business Awards 2018. He was also awarded the "Best IR by Chairman/CEO" (small-cap category) from Hong Kong Investor Relations Association for fourth consecutive years from 2016 to 2019 and was selected as one of the "CAPITAL Leaders of Excellence 2014" by CAPITAL Magazine in 2015. In 2014, he received the "Global Outstanding Chinese Award" from the "Global Outstanding Chinese Association" and was awarded "Chinese Business Leader" by the Asian College of Knowledge Management. In 2012, he received the "China Cosmetic Retail Industry Special Contribution Award" from the Circulation Industry Promotion Centre of Chinese Ministry of Commerce and the China Beauty Expo Organising Committee. Dr Kwok was an awardee in "The Directors of the Year Awards 2011" in the Listed Companies (SEHK – Non Hang Seng Index Constituents) category organised by the Hong Kong Institute of Directors, a winner of the "Owner-Operator Award" at the DHL/SCMP Hong Kong Business Awards 2007 and a winner in the Retail Category in the "Ernst & Young Entrepreneur of the Year Awards

China 2006". Dr Kwok was elected University Fellow by The Hong Kong Polytechnic University in 2012. He received the degree of Doctor of Business Administration *honoris causa* from the Open University of Hong Kong in 2011, and an *honoris causa* doctorate degree in Business Administration from Lingnan University in 2008.

Dr Kwok is an active participant in the work of charities. He is Second Vice-president (2011 – 2014 and 2016 – 2020), Campaign Committee Chairman (2011 – 2014 and 2016 – 2020), a member of the Board of Directors (2009 – 2015 and 2016 – 2022) and Vice Patron (since 2015) of the Community Chest of Hong Kong. Dr Kwok is also a Vice-chairman of the Second & Third Board of Hongkong Kowloon Charitable Foundation Association Limited (2014 – 2019), a Committee Member of Heifer International (since 2009), a Board Member of Concerted Efforts Resource Centre (since 2009), an Executive Board Member of the Hong Kong AIDS Foundation (since 2006), and an Honorary Advisor and member (since 2006) of The Hong Kong Committee for the China AIDS Initiative.

Save as disclosed above, Dr Kwok 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 public 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 Kwok and the Company. He is subject to retirement by rotation and re-election at least once every three years in accordance with the articles of association of the Company and the Listing Rules. The total director's emoluments received by Dr Kwok for the year ended 31 March 2020 was approximately HK\$2,583,000, determined by the Board following recommendations by the Remuneration Committee with reference to Dr Kwok's duties, responsibilities, experience, qualifications, prevailing market conditions and the Group's performance.

Dr Kwok is the husband of Dr Kwok Law Kwai Chun Eleanor (Vice-chairman and executive director of the Company), father of Ms Kwok Sze Wai Melody (executive director of the Company) and brother-in-law of Mr Law Kin Ming Peter (Senior Vice President of Category Management and Product Development 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 Kwok has personal interest of 40,728,000 shares and corporate interest of 1,946,734,297 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. The 1,946,734,297 shares are held as to 1,506,926,594 shares by Sunrise Height Incorporated, as to 438,407,703 shares by Green Ravine Limited and as to 1,400,000 shares by Million Fidelity International Limited. Sunrise Height Incorporated, Green Ravine Limited and Million Fidelity International Limited are owned as to 50% each by Dr Kwok and his wife, Dr Kwok Law Kwai Chun Eleanor. Dr Kwok and his wife are each taken to be interested in all issued non-voting deferred shares of Base Sun Investment Limited, Matford Trading Limited, Sa Sa Cosmetic Company Limited and Sa Sa Investment (HK) Limited, all of which are wholly-owned subsidiaries of the Company. Details of the above interests are shown in the section "Report of the Directors" in the Annual Report. Save as aforesaid, Dr Kwok does not hold any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

A public censure announcement in respect of Dr Kwok and Mr Cheng Sai Kei Johnnie, an ex-director, was published by the Stock Exchange on 5 September 2000, in which Dr Kwok and Mr Cheng were publicly censured for breach of the declaration and undertaking with regard to directors given by them to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules. Details of the above incident are set out in the announcement referred to.

Save as aforesaid, the Company is not aware of any other matters relating to the re-election of Dr Kwok 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.

Dr KWOK LAW Kwai Chun Eleanor, BBS, JP

Dr Kwok, aged 66, is one of the founders of the Group, an executive director of the Company and the Vice-chairman of the Board. She is a member of the Executive Committee, Remuneration Committee, Nomination Committee and Risk Management Committee of the Company. She is a director and shareholder of both Sunrise Height Incorporated and Green Ravine Limited, the respective controlling and substantial shareholders of the Company. Both Dr Eleanor Kwok and Dr Simon Kwok have a 50% shareholdings in each of the two companies. Dr Kwok is also a director of certain subsidiaries of the Group.

Dr Kwok has more than 40 years of experience in the sales and marketing of beauty products. With extensive professional knowledge and many years of experience in cosmetics retailing, she pioneered the unique operational concept of open-shelf display of beauty products, making shopping a more enjoyable experience. Dr Kwok plays a leading role in the marketing, operations, human resources and staff training functions of the Group.

Dr Kwok was awarded the “Women of Hope 2019 Entrepreneur Award” by Hong Kong Adventist Hospital Foundation in 2019. She was honoured the “Excellent Businesswomen” by Hong Kong Commercial Daily, the “Asian Outstanding Leaders Awards for Women” by Asian College of Knowledge Management and the “Asian Social Caring Leadership Award” by Social Enterprise Research Institute in 2017. Dr Kwok received “Most Successful Women Awards” by JESSICA Magazine in 2016. She was named “2013 Entrepreneur of the Year” in the Asia Pacific Entrepreneurship Awards 2013 Hong Kong by Enterprise Asia and received “The Excellent Award in Hong Kong Beauty Industry 2012/13” from the International CICA Association of Esthetic-CIDESCO Section China in 2012. Dr Kwok won the “Outstanding Women Entrepreneurs” award of the Hong Kong Women Professionals & Entrepreneurs Association in 2008, and received the “World Outstanding Chinese” award from the World Outstanding Chinese Association and World Chinese Business Investment Foundation in 2005. She was conferred an Honorary Doctorate of Management by Morrison University, USA, and an Honorary Fellowship by the Professional Validation Centre of Hong Kong Business Sector.

Dr Kwok is actively involved in chamber of commerce and charity activities. She is currently the Honorable President of the Cosmetic & Perfumery Association of Hong Kong (since 2009), President of Sa Sa Making Life Beautiful Charity Fund (since 2013), Vice President of the Hong Kong Girl Guides Association (since 2012), Senator of the Hong Kong Federation of Women (2015-2021), Honorary President of the Hong Kong Federation of Women (since 2005), a Committee Member of Hong Kong Federation of Women Entrepreneurs Committee (since 2004) and was a patron of Caritas Fund Raising Campaign (since 2006). Dr

Kwok was also the Adviser (April 2017 – March 2018), Chairman (April 2016 – March 2017), Vice-chairman (April 2012 – March 2016), Director (2006 – 2012) of Po Leung Kuk, initiating the “Making Life Beautiful” Beauty Ambassador Training Programme (2008 and 2009) and “Sa Sa Eternal Beauty” Charitable Programme (2018 – 2019) of Po Leung Kuk together with Sa Sa. She was also a Committee Member of the Major Sports Events Committee (2015-2018).

Save as disclosed above, Dr Kwok 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 public companies the securities of which are listed on any securities market in Hong Kong or overseas, and she does not have any other major appointments or professional qualifications.

There is no service contract between Dr Kwok and the Company. She is subject to retirement by rotation and re-election at least once every three years in accordance with the articles of association of the Company and the Listing Rules. The total director’s emoluments received by Dr Kwok for the year ended 31 March 2020 was approximately HK\$2,344,000, determined by the Board following recommendations by the Remuneration Committee with reference to Dr Kwok’s duties, responsibilities, experience, qualifications, prevailing market conditions and the Group’s performance.

Dr Kwok is the wife of Dr Kwok Siu Ming Simon (Chairman and CEO of the Company), mother of Ms Kwok Sze Wai Melody (executive director of the Company) and sister of Mr Law Kin Ming Peter (Senior Vice President of Category Management and Product Development of the Company). Save as the above, she does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr Kwok has family interest of 40,728,000 shares and corporate interest of 1,946,734,297 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. The 1,946,734,297 shares are held as to 1,506,926,594 shares by Sunrise Height Incorporated, as to 438,407,703 shares by Green Ravine Limited and as to 1,400,000 shares by Million Fidelity International Limited. Sunrise Height Incorporated, Green Ravine Limited and Million Fidelity International Limited are owned as to 50% each by Dr Kwok and her husband, Dr KWOK Siu Ming Simon. Dr Kwok and her husband are each taken to be interested in all issued non-voting deferred shares of Base Sun Investment Limited, Matford Trading Limited, Sa Sa Cosmetic Company Limited and Sa Sa Investment (HK) Limited, all of which are wholly-owned subsidiaries of the Company. Details of the above interests are shown in the section “Report of the Directors” in the Annual Report. Save as aforesaid, Dr Kwok does not hold any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

A public statement in respect of Dr Kwok, Mr Chen Chou Fan Edward and Mr Tong Hang Chan Peter, two ex-directors was published by the Stock Exchange on 5 September 2000, in which Dr Kwok, Mr Chen and Mr Tong were criticised for breach of the declaration and undertaking with regard to directors given by them to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules. Details of the above incident are set out in the public statement referred to.

Save as aforesaid, the Company is not aware of any other matters relating to the re-election of Dr Kwok 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.

Ms KWOK Sze Wai Melody

Ms Kwok, aged 42, is an executive director of the Company and a member of the Executive Committee of the Company. Ms Kwok joined the Group in 2005 as management trainee and have held various positions within the Group over the years. She was promoted to Vice President, Corporate Strategy & Development in April 2018, with oversight over business development strategy, marketing, brand management and product development.

Ms Kwok is a member of the Guangzhou Committee of the Chinese People's Political Consultative Conference. With extensive experience in cosmetic retailing, she has been President of the Cosmetic & Perfumery Association of Hong Kong since 2017, diligently promoting solidarity and safeguarding the interests of the Hong Kong cosmetic industry. She is also an executive director of the Hong Kong Federation of Guangzhou Associations (since 2015), Council Member of the Council of Guangzhou Overseas Friendship-Liaison Association (since 2013), Honorary Advisor of the Hong Kong Island Women's Association (since 2018), Founding Honorary Advisor of the Hong Kong O2O E-commerce Federation (since 2017) and Honorary President of International Beauty Professionals Validation Association (2014 – 2020). Ms Kwok was also a Council Member of the Hong Kong Health Food Association (2016 – 2019).

Actively involved in community service and philanthropic activities, Ms Kwok has been Chairman (2010-2016) and President (since 2016) of the Southern District Association and Honorary Vice-President of the Hong Kong Girl Guides Association (since 2013). She also supported the establishment of Sa Sa's first charity foundation "Sa Sa Making Life Beautiful Charity Fund" and acts as its Vice-chairman, working closely with numerous influential non-profit organisations. In 2020, Ms Kwok received the "Distinguished Service Award" by The Hong Kong Girl Guides Association. In 2019, she was named "CMO Marketer of the Year" by Hong Kong Institute of Marketing (HKIM), in recognition of her outstanding achievement and contribution in marketing strategy development. She was awarded the "Golden Bauhinia Women Entrepreneur Award" by the Golden Bauhinia Women Entrepreneur Association in 2016 and "Junior Chamber International City Lady Award" in 2014, in recognition of her contribution to society as well as art and culture.

Ms Kwok graduated from RMIT University, Australia, in 2002 with a Bachelor of Business degree. She obtained a Master's degree in International Business from Monash University, Australia, in 2004. She was conferred an Honorary Fellowship by the Professional Validation Centre of Hong Kong Business Sector in 2019.

Save as disclosed above, Ms Kwok 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 public companies the securities of which are listed on any securities market in Hong Kong or overseas, and she does not have any other major appointments or professional qualifications.

There is no service contract between Ms Kwok and the Company. She is not appointed for any specified length or proposed length of service with the Company but is subject to retirement by rotation and re-election at least once every three years in accordance with the articles of association of the Company and the Listing Rules. The total director's emoluments received by Ms Kwok for the year ended 31 March 2020 was approximately HK\$531,000, which included HK\$67,000 of share-based payment, determined by the Board following recommendation by the Remuneration Committee with reference to her duties, responsibility, experience, qualifications, prevailing market conditions and the Group's performance. In addition, Ms Kwok may be paid a year-end bonus or other discretionary variable remuneration, and may be granted options to subscribe for the Company's shares or awarded shares under the Company's Share Option Scheme or Share Award Scheme, based on her performance and such other factors as the Company considers relevant.

Ms Kwok is the daughter of Dr Kwok Siu Ming Simon (Chairman and CEO of the Company) and Dr Kwok Law Kwai Chun Eleanor (Vice-chairman and executive director of the Company), and the niece of Mr Law Kin Ming Peter (Senior Vice President of Category Management and Product Development of the Company). Save as disclosed above, she does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms Kwok has personal interest of 110,000 shares of the Company, family interest of 6,000 shares of the Company, an outstanding option granted on 17 June 2011 to subscribe for 50,000 shares of the Company at the exercise price of HK\$4.95, an outstanding option granted on 29 June 2012 to subscribe for 70,000 shares of the Company at the exercise price HK\$4.85 and another outstanding option granted on 21 June 2013 to subscribe for 50,000 shares of the Company at the exercise price HK\$8.07. Details of the above interests are shown in the section "Report of the Directors" in the Annual Report. Save as aforesaid, Ms Kwok does not hold any 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 appointment of Ms Kwok 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.

Ms LEE Yun Chun Marie-Christine

Ms Lee, aged 60, was appointed as a non-executive director of the Company on 26 February 2013. Ms Lee has a proven leadership position in retailing, branding and marketing, with more than 17 years of experience. Ms Lee was an ambassador of Harry Winston (Hong Kong) Limited, focusing on sales, branding and marketing, and successfully launched its debut shop in Hong Kong, from 2009 to 2016. Harry Winston is a world famous jeweller specialising in luxurious jewellery and jewellery watches. She is currently the director of Or-Tea, an international premium specialty tea brand created in Hong Kong and produced in Germany. Ms Lee is a founder of Sport Max HK Co Limited and Hope Sport Association, providing the highest standard of qualified and professional coaching in sports. She is also an advisory board member of Phoenix Property Investors (H.K.) Limited, a private equity real estate investment group focusing on first tier pan-Asian markets.

Previously, Ms Lee was a product manager of Shiatos Limited, an agent managing and distributing various prestigious European and international brands in Hong Kong, like Hermes, Van Cleef & Arpels, Lalique, Baccarat, Bernardaud, Christofle, etc. She was responsible for retailing and marketing, and successfully launched world famous high fashions in Hong Kong. She also worked for Citicorp International/Citibank NA as an investment advisor manager for high net worth individuals, and marketed loans for multinational corporations.

Ms Lee is committed to community work. She is a lifetime founding benefactor of The Nature Conservancy, USA, and is a founder of a non-profit charitable organisation, Sports for Hope Foundation, providing funding to highly-talented young underprivileged athletes who lack financial means to further their passion. Ms Lee obtained a Bachelor of Science in Biochemistry and Nutritional Sciences from Simmons College, Boston, United States and was conferred an Honorary Fellowship by King's College, London for the cancer research programme at the Guy's Hospital.

Save as disclosed above, Ms Lee 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 public companies the securities of which are listed on any securities market in Hong Kong or overseas, and she does not have any other major appointments or professional qualifications.

Ms Lee's appointment is governed by a formal letter of appointment but there is no service contract between Ms Lee and the Company and her current three-year term of appointment shall expire on 21 August 2022, subject to retirement by rotation and re-election at least once every three years in accordance with the articles of association of the Company and the Listing Rules. Ms Lee is entitled to a director's fee of HK\$257,400 per annum, which was determined by the Board following recommendations by the Remuneration Committee with reference to the fees payable by companies of comparable business and scale. Total emoluments paid to Ms Lee for the year ended 31 March 2020 is set out in note 7 of the Consolidated Financial Statement.

Ms Lee is a cousin of Dr Look Guy (Chief Financial Officer and executive director of the Company). Save as aforesaid, she does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms Lee has outstanding share options to subscribe for a maximum of 100,000 shares in the Company which have been 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, Ms Lee 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 Ms Lee 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 CHAN Hiu Fung Nicholas, MH

Mr Chan, aged 47, was appointed as an independent non-executive director of the Company on 2 September 2019. Mr Chan is a member of the Audit Committee and member of Remuneration Committee of the Company. Mr Chan is a partner of an international law firm Squire Patton Boggs. He graduated from the University of Melbourne, Australia, in 1997 with a Bachelor of Laws degree and a Bachelor of Science (Computer Science) degree, and has been a solicitor in Hong Kong since May 1999. He was also admitted to the roll of solicitors in the following jurisdictions (but now non-practising): Australia Capital Territory (June 1997), State of Victoria in Australia (October 2000), and England and Wales (October 2007). He is also a China Appointed Attesting Officer.

Mr Chan is an independent non-executive director, chairman of the Remuneration Committee, member of the Audit Committee, member of the Nomination Committee and member of the Risk Management Committee of Q P Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong.

Mr Chan is a member of the 13th National People's Congress of the People's Republic of China (April 2019 – around March 2023), and a chairman, adjudicator or panel member of a number of appeal boards or advisory committee in the Hong Kong Special Administrative Region, including: member of the Advisory Committee on Promotion of Arbitration (August 2018 – March 2021), member of the Innovation and Technology Commission "Innovation and Technology Venture Fund" Advisory Committee (June 2017 – June 2021), member of the Legal Aid Services Council (September 2018 – August 2020), Chairman of the Appeal Tribunal Panel (Buildings) (December 2012 – December 2020), and substantive member of the Human Organ Transplant Board (February 2018 – February 2021).

Mr Chan is currently Vice-Chairman of the InnoTech Committee of The Law Society of Hong Kong, Chairman of eBRAM International Online Dispute Resolution Centre Limited (since 2018), Council Member of Fu Hong Society (since November 2018), Council Member of The Hong Kong University of Science and Technology (since April 2016), member of the PCLL Academic Board of The University of Hong Kong, member of the PCLL Academic Board of the City University of Hong Kong, member of The Hong Kong Polytechnic University Entrepreneurial Programmes Management Committee, Hospital Governing Committee Member of Castle Peak Hospital and Siu Lam Hospital, Independent Member of the Travel Industry Council of Hong Kong Appeal Board, and member of the Hong Kong Athletes Career and Education Programme Committee, Sports Federation & Olympic Committee of Hong Kong, China.

Mr Chan is also the Honorary Legal Advisor of some charities and trade associations including the Hong Kong Association of Interactive Marketing (HKAIM), Hong Kong Creative Industries Association (HKCIA), e-Learning Consortium, Hong Kong General Chamber of Cross-border E-Commerce (HKGCCCE), Hong Kong Information Technology Federation (HKITF), Hong Kong Internet Service Providers Association (HKISPA), Hong Kong O2O E-Commerce Federation, and International Federation of Creativity and Technology (IFOCAT).

Mr Chan was a Council member of The Law Society of Hong Kong (December 2014 – 30 May 2019), member of HKSAR Passports Appeal Board (October 2011 – October 2017), adjudicator of the Immigration Tribunal (October 2013 – October 2019) and member of Solicitors Disciplinary Tribunal Panel in the Hong Kong Special Administrative Region (September 2010 – September 2016).

Save as disclosed above, Mr Chan 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 public 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 Chan's appointment is governed by a formal letter of appointment but there is no service contract between Mr Chan and the Company. In accordance with article 99 of the articles of association of the Company, Mr Chan was appointed for an initial term from 2 September 2019 to the date of the Company's first annual general meeting following his appointment. He is eligible for re-election by the shareholders of the Company at the AGM and, subject to being re-elected, Mr Chan will then be appointed for a further term of three years from the date of the AGM, subject to retirement by rotation and re-election at least once every three years pursuant to the articles of association of the Company and the Listing Rules. Mr Chan is entitled to a director's fee of HK\$257,400 per annum, plus an additional annual fee of HK\$80,000 for his role as member of the Audit Committee, which were determined by the Board following recommendation by the Remuneration Committee with reference to the fees payable to the other independent non-executive directors of the Company. Total emoluments paid to Mr Chan for the year ended 31 March 2020 is set out in note 7 of the Consolidated Financial Statement.

As at the Latest Practicable Date, Mr Chan does not hold any 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 shareholders or controlling shareholders of the Company.

Save as aforesaid, the Company is not aware of any other matters relating to the appointment of Mr Chan 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 2020 are set out in note 7 to the consolidated financial statements in the Annual Report.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

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 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 3,103,189,458 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 3,103,189,458 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 310,318,945 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 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 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 1,987,462,297 Shares, representing approximately 64.05% 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 71.16% 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>
2019		
July	2.38	2.19
August	2.23	1.67
September	1.95	1.62
October	2.02	1.68
November	2.07	1.72
December	1.85	1.64
2020		
January	1.85	1.36
February	1.65	1.30
March	1.51	1.05
April	1.49	1.09
May	1.45	1.16
June	1.43	1.17
July (up to and including the Latest Practicable Date)	1.38	1.22