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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in K. Wah International Holdings Limited (“Company”), you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular should be read in conjunction with the accompanying Annual Report for the year ended 31 December 2020. The English text of this circular shall prevail the Chinese text in case of any inconsistency.

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**PROPOSALS FOR RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATES TO REPURCHASE SHARES AND  
TO ISSUE NEW SHARES  
AND  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 9 June 2021 at 11:00 a.m. (“2021 AGM”) is set out on pages 29 to 34 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company’s principal place of business in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong as soon as possible and, in any event, so as to be received by the Company not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so wish. **Considering the outbreak of the novel Coronavirus (COVID-19), the Company will implement certain preventive and control measures at the meeting venue of the 2021 AGM to reduce the risk of the attendees from cross infection (for details, please refer to note (xii) of the notice of 2021 AGM).**

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## DEFINITIONS

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

“2021 AGM”	the annual general meeting of the Company to be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 9 June 2021 at 11:00 a.m.
“Adoption Date”	the date on which the New Scheme is conditionally adopted by the resolution of the Shareholders at the 2021 AGM
“affiliate”	any company which is (a) a holding company of the Company; or (b) a subsidiary of a holding company of the Company; or (c) a subsidiary of the Company; or (d) a controlling shareholder of the Company; or (e) a company controlled by a controlling shareholder of the Company; or (f) a company controlled by the Company; or (g) an associated company of a holding company of the Company; or (h) an associated company of the Company
“associated company”	has the meaning ascribed to the expression under section 2 of the Companies Ordinance
“associates”	has the meaning ascribed to the expression under the Listing Rules
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time, and “Bye-laws” construes any bye-laws thereof
“CG Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“close associate(s)”	has the meaning ascribed to the expression under the Listing Rules
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, as amended from time to time
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended from time to time
“Company”	K. Wah International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the HK Stock Exchange

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## DEFINITIONS

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“Company’s HK Branch Share Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“connected person(s)”	has the meaning ascribed to the expression under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to the expression under the Listing Rules
“core connected person(s)”	has the meaning ascribed to the expression under the Listing Rules
“CP(s)”	code provision(s) of the CG Code
“Director(s)”	the director(s) of the Company
“Employee”	any person employed (on a full-time or part-time basis) by the Company or any affiliate and any person who is a senior executive or director (whether executive or non-executive) of the Company or any affiliate
“Existing Scheme”	the existing share option scheme adopted by the Company on 20 June 2011
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HKEx”	Hong Kong Exchanges and Clearing Limited
“holding company”	has the meaning ascribed to the expression under section 2 of the Companies (WUMP) Ordinance and in section 13 of the Companies Ordinance
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the People’s Republic of China
“immediate family members”	a spouse, a child or step-child, a parent or step-parent, a brother, sister, step-brother or step-sister; or a mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law
“Latest Practicable Date”	20 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the HK Stock Exchange and any amendments thereof
“New Scheme”	the new share option scheme proposed to be adopted at the 2021 AGM, the principal terms of which are set out in Appendix III

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## DEFINITIONS

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“Option”	an option to subscribe for Shares granted pursuant to the New Scheme and for the time being subsisting
“Option Agreement”	the offer and acceptance letter between the Company and the Option Holder evidencing the terms of and conditions of an individual Option
“Option Holder”	any Participant who accepts an offer of the grant of an Option in accordance with the terms of the New Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Participant, or the legal personal representatives of such Participant
“Participant”	a Qualifying Grantee or his Related Trusts or Companies
“Qualifying Grantee”	(i) any Employee or any consultant, agent, representative or adviser of the Company or any affiliate; or (ii) any person who provides goods or services to the Company or any affiliate; or (iii) any customer or contractor of the Company or any affiliate; or (iv) any business ally or joint venture partner of the Company or any affiliate; or (v) any trustee of any trust established for the benefit of Employees
“Related Trust(s) or Company(ies)”	in relation to a Qualifying Grantee who is an individual, a trust solely for the benefit of the Qualifying Grantee or his immediate family members, and companies controlled solely by the Qualifying Grantee or his immediate family members
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Buy-backs Code”	the Code on Share Buy-backs
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary”	has the meaning ascribed to the expression under section 2 of the Companies (WUMP) Ordinance and in section 15 of the Companies Ordinance, whether incorporated in Hong Kong or elsewhere
“substantial shareholder(s)”	has the meaning ascribed to the expression under the Listing Rules
“Supplementary Guidance”	the supplementary guidance on Rule 17.03(13) of the Listing Rules issued by the HK Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the HK Stock Exchange relating to share option schemes
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent



於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

(Stock Code: 00173)

**Executive Directors:**

Dr. Lui Che-woo, *GBM, MBE, JP, LLD, DSSc, DBA*  
(Chairman and Managing Director)

Mr. Francis Lui Yiu Tung

Mrs. Paddy Tang Lui Wai Yu, *BBS, JP*

Mr. Alexander Lui Yiu Wah

**Non-executive Director:**

Dr. Moses Cheng Mo Chi, *GBM, GBS, OBE, JP*

**Independent Non-executive Directors:**

Dr. William Yip Shue Lam, *LLD*

Mr. Wong Kwai Lam

Mr. Nip Yun Wing

**Registered Office:**

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

**Principal Place of  
Business in Hong Kong:**

29th Floor  
K. Wah Centre  
191 Java Road  
North Point  
Hong Kong

27 April 2021

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATES TO REPURCHASE SHARES AND  
TO ISSUE NEW SHARES  
AND  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with the notice of 2021 AGM, and the information regarding the resolutions to be proposed at the 2021 AGM relating to (i) the re-election of Directors; (ii) the grant to the Directors of general mandates to repurchase Shares and to issue new Shares; and (iii) the adoption of the New Scheme and the termination of the Existing Scheme.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Pursuant to Bye-laws 109(A) and 189(viii) of the Bye-laws, Dr. Moses Cheng Mo Chi (“**Dr. Cheng**”), Dr. William Yip Shue Lam (“**Dr. Yip**”) and Mr. Wong Kwai Lam (“**Mr. Wong**”) will retire by rotation at the 2021 AGM and, being eligible, offer themselves for re-election at the 2021 AGM.

The nominations of directors were made in accordance with the Nomination Policy of the Company. In March 2021, the nomination committee of the Company (“**Nomination Committee**”) reviewed the profile of the said retiring Directors who had offered themselves for re-election at the 2021 AGM in light of the structure, size and composition (including the skills, knowledge and experience) of the Board. The Nomination Committee also considered each of Dr. Cheng, Dr. Yip and Mr. Wong could contribute to the diversity of the Board, in particular with their diverse business and professional background. The Nomination Committee reviewed their overall contribution and services to the Company.

The nomination of each of Dr. Yip and Mr. Wong for re-appointment as an independent non-executive Director at the 2021 AGM has been considered by the Nomination Committee in accordance with the Company’s nomination procedures and the selection criteria (including without limitation, reputation for integrity, business experience relevant and beneficial to the Company and willingness to devote adequate time to discharge duties as a member of the Board) as well as taking into account the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Nomination Policy of the Company.

Each of Dr. Yip and Mr. Wong, all being the independent non-executive Directors, has given to the Company his annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board, through the assessment and recommendation by the Nomination Committee, is of the view that each of Dr. Yip and Mr. Wong meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

Pursuant to CP A.4.3 of the CG Code, any re-appointment of independent non-executive Director who served more than 9 years shall be subject to a separate resolution to be approved by the Shareholders. Both Dr. Yip and Mr. Wong have served the Company for more than 9 years and are due to retire at the 2021 AGM. During their years of appointment, each of Dr. Yip and Mr. Wong has expressed objective views and given independent guidance to the Company over the years. Notwithstanding their years of service as independent non-executive Directors, the Board is of the view that each of Dr. Yip and Mr. Wong is able to continue to fulfill his role as required with in-depth understanding of the Company’s operations and business and with the necessary knowledge and/or professional qualifications. Each of Dr. Yip and Mr. Wong has the required character, integrity and experience to continue fulfilling the role of independent non-executive Directors and thus the Board recommends both of them for re-election at the 2021 AGM. The Board is satisfied that both Dr. Yip and Mr. Wong remain independent, and there is no evidence that their tenure have had an impact on their independence.

The Nomination Committee at its meeting in March 2021 resolved to recommend the Board to put forward three separate resolutions at the 2021 AGM to re-elect each of Dr. Cheng, Dr. Yip and Mr. Wong as Directors. Dr. Yip and Mr. Wong, both are the members of the Nomination Committee and present at the meeting, abstained from voting at the meeting when their respective nomination was being considered.

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## LETTER FROM THE BOARD

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At the meeting of the Board held in March 2021, the Board considered that the said retiring Directors would bring to the Board their own perspectives, skills and experience. The Board also considered the re-election of each of Dr. Cheng, Dr. Yip and Mr. Wong as Directors are in the best interest of the Company and the Shareholders as a whole. The Board therefore resolved to put forward three separate resolutions at the 2021 AGM to re-elect them as Directors of the Company.

Biographical details of the Directors proposed to be re-elected at the 2021 AGM are set out in Appendix I to this circular.

Pursuant to Bye-law 114 of the Bye-laws, any Shareholder who wishes to nominate a person to stand for election as a Director at the 2021 AGM shall lodge with the Company's registered office or the Company's HK Branch Share Registrar at least seven (7) days before the date of the 2021 AGM: (i) a written notice of nomination of candidate duly signed by the Shareholder who is qualified to attend and vote at the general meeting; (ii) a written confirmation from such nominated candidate of his/her willingness to be elected as a Director; and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company. If a valid nomination and/or information is received less than ten (10) business days prior to the date of the 2021 AGM, the Company will need to consider the adjournment of the 2021 AGM in order to allow Shareholders have sufficient time to consider the nomination.

### GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES

At the last annual general meeting of the Company held on 3 June 2020, ordinary resolutions were passed granting to the Directors general mandates to repurchase Shares not exceeding 10% and to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at that date. These general mandates will both expire upon the conclusion of the 2021 AGM.

The Directors consider that granting of general mandates for the Directors to repurchase Shares and to issue new Shares increases the flexibility of the Board in managing the Company's financial affairs and capital base and is in the interest of the Shareholders. Therefore, ordinary resolutions will be proposed at the 2021 AGM to refresh the general mandates as follows:

- (i) to grant to the Directors a general and unconditional mandate to repurchase issued Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant ordinary resolution ("**Repurchase Mandate**");
- (ii) to grant to the Directors a general and unconditional mandate to issue and allot new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant ordinary resolution ("**Share Issue Mandate**"); and
- (iii) conditional upon the passing of the ordinary resolutions to grant the Repurchase Mandate and the Share Issue Mandate, to extend the Share Issue Mandate by the addition thereto the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

Full text of each of the relevant ordinary resolutions in relation to the general mandates described in (i), (ii) and (iii) above is set out as resolutions numbered 5.1, 5.2 and 5.3 respectively in the notice of 2021 AGM appearing on pages 29 to 34 of this circular.



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## LETTER FROM THE BOARD

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With respect to the proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to repurchase any Shares. Subject to the passing of the ordinary resolution numbered 5.1 set out in the notice of 2021 AGM approving the proposed Repurchase Mandate and on the assumption that no further Shares will be issued (whether generally or pursuant to the exercise of the outstanding share options) and no Shares will be repurchased prior to the 2021 AGM, the Company would be allowed to repurchase a maximum of 312,697,461 Shares. An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against ordinary resolution numbered 5.1 approving the Repurchase Mandate at the 2021 AGM is set out in Appendix II to this circular.

With respect to the proposed Share Issue Mandate, on the assumption that there is no variation to the issued share capital of the Company during the period from the Latest Practicable Date up to and including the date of the passing of ordinary resolution numbered 5.2 approving the Share Issue Mandate at the 2021 AGM, the maximum number of Shares which may be issued and allotted by the Company pursuant to the Share Issue Mandate is 625,394,923 Shares, based on 3,126,974,615 Shares in issue as at the Latest Practicable Date and not taking into account any additional new Shares which may be issued and allotted pursuant to the extension of the Share Issue Mandate referred to in ordinary resolution numbered 5.3 set out in the notice of 2021 AGM. The Company does not have any plan to issue Shares under the Share Issue Mandate as at the Latest Practicable Date.

### **ADOPTION OF THE NEW SCHEME AND TERMINATION OF THE EXISTING SCHEME**

The Existing Scheme was adopted on 20 June 2011 and has a term of 10 years from the adoption date which is due to expire on 19 June 2021. The Board has resolved to conditionally terminate the Existing Scheme prior to its expiry subject to the adoption of the New Scheme by the Shareholders at the 2021 AGM and upon satisfaction of all conditions precedent as set out below.

#### **Conditions of the New Scheme**

The New Scheme is conditional upon:

- (a) the passing of an ordinary resolution to approve and adopt the New Scheme by the Shareholders at the 2021 AGM and to authorise the Board to grant Options thereunder and to allot and issue the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the New Scheme; and
- (b) the Listing Committee of the HK Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares to be issued by the Company pursuant to the exercise of the Options which may be granted in accordance with the terms and conditions of the New Scheme.

An application will be made to the Listing Committee of the HK Stock Exchange for the approval referred to in (b) above.

Upon satisfaction of the conditions above, the Existing Scheme will be terminated to the extent that no further options will be offered or granted under the Existing Scheme. However, all the existing options previously granted but unexercised under the Existing Scheme will remain valid and exercisable in accordance with their terms of issue after the termination of the Existing Scheme.

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## LETTER FROM THE BOARD

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### **Reasons for adopting the New Scheme**

The Board considers that it is appropriate to adopt the New Scheme to replace the Existing Scheme which will expire on 19 June 2021. To enable the continuity of the share option scheme of the Company, the Board proposes to recommend to the Shareholders to approve and adopt the New Scheme so that options may be granted to the Qualifying Grantees pursuant to the terms thereof. The purpose of the New Scheme is (i) to attract and retain the best quality personnel for the development of the Company's businesses; (ii) to provide additional incentives to Employees, consultants, agents, representatives, advisers, suppliers of goods or services, customers, contractors, business allies and joint venture partners; and (iii) to promote the long term financial success of the Company by aligning the interests of Option Holders to Shareholders.

The Board believes that the inclusion of persons or entities who may not be Employees but play a role in and make actual or potential contribution to the business, development and growth of the Group, such as consultants, agents, representatives, advisers, suppliers, customers, contractors, business allies, joint venture partners of the Company or any affiliate as the Qualifying Grantees is appropriate given that the success of the Group does not only depend on the cooperation and contribution from Employees. The New Scheme will give flexibility to the Board, at no cash cost to the Company, to decide the terms of an Option (including the exercise price and time for which an Option must be held) offered to Employees and other Qualifying Grantees and enable them to participate in the Company's equity.

The purpose of having a broader category of Qualifying Grantees is for attracting and retaining those persons or entities who contribute to the business and operations of the Group, so that they have the incentive to render improved services and/or patronage to the Group on a long-term basis. By granting Options to the Qualifying Grantees, the Company can also align their interests with those of the Company, as the Qualifying Grantees will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the long-term development of the Group.

The Board may in its absolute discretion select the Qualifying Grantees, and determine whether they have contributed or may contribute to the business and operations of the Group, by taking reference to the factors including but not limited to their individual performance for Employees; and the actual and/or potential contribution to the business and long-term success of the Group for parties other than Employees. The Directors believe the abovementioned scope of Qualifying Grantees is reasonable, appropriate and in the interests of the Company and Shareholders as a whole.

As at the Latest Practicable Date and save for the Existing Scheme and the New Scheme, the Company had not adopted any other share option schemes.

### **Further details of the New Scheme**

The terms of the New Scheme provide that in granting Options under the New Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period the Options need to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion, subject to compliance with the terms of the New Scheme. The Board will also determine the subscription price in respect of any Option in accordance with the terms of the New Scheme, which must be at least the highest of (i) the closing price of the Shares as stated in the HK Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Shares as stated in the HK Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal

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## LETTER FROM THE BOARD

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value of a Share. By setting the minimum period (if any) of the Options to be held, the subscription price and performance targets (if any), the Qualifying Grantees are offered an opportunity to participate in the Company's future stock performance through grants of Options, be motivated to work towards the contribution to the continued growth and the success of the Group, and be encouraged to acquire proprietary interests in the Company. This serves the purpose of the New Scheme. None of the Directors are trustees of the New Scheme and the Company does not at present intend to appoint a trustee to the New Scheme.

A summary of the principal terms of the New Scheme is set out in Appendix III to this circular.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will be based on a large number of speculative assumptions and would therefore not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the subscription price, the option period, any lock-up period, any performance targets that may be set and other relevant variables.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Scheme and satisfaction of all conditions precedent of the New Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the Company must not, in aggregate, exceed the scheme mandate limit, i.e. 10% of the issued share capital of the Company as at the date of approval of the New Scheme.

As at the Latest Practicable Date, there were 3,126,974,615 Shares in issue. Assuming no Shares will be issued or repurchased from the Latest Practicable Date to the date of the 2021 AGM on which the New Scheme is expected to be adopted by the Shareholders, and subject to the New Scheme becoming effective, the Company may grant Options under the New Scheme and any other share option schemes of the Company in respect of which up to 312,697,461 Shares, representing 10% of the Shares in issue as at the date of the 2021 AGM, may be issued. The Company does not have any plan to grant Options to the Qualifying Grantees under the New Scheme as at the Latest Practicable Date.

Further, no Options will be granted which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted but yet to be exercised under the New Scheme, the existing options granted under the Existing Scheme and any other share option schemes adopted by the Company which provide for the grant of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

As at the Latest Practicable Date, there were 69,678,000 options granted under the Existing Scheme which shall in all respects remain valid and exercisable in accordance with their terms of issue notwithstanding the termination of the Existing Scheme and an aggregate of 158,889,221 Shares remain available for granting under the Existing Scheme prior to the effective of the New Scheme. Save as disclosed above, there were no other outstanding options, warrants or convertible securities to subscribe for Shares as at the Latest Practicable Date. The Company has no present intention to grant any options under the Existing Scheme before the date of the 2021 AGM.

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## LETTER FROM THE BOARD

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A copy of the New Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong during normal business hours on any business day (Saturdays and public holidays excluded) unless (i) a tropical cyclone warning signal number 8 or above is hoisted; or (ii) a black rainstorm warning signal is issued, from the date of this circular up to and including the date of the 2021 AGM.

### **ANNUAL GENERAL MEETING**

A notice convening the 2021 AGM to be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 9 June 2021 at 11:00 a.m. is set out on pages 29 to 34 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the 2021 AGM will therefore demand a poll on each of the resolutions to be proposed at the 2021 AGM pursuant to Bye-law 78 of the Bye-laws.

Proxy form for use at the 2021 AGM is enclosed with this circular. Whether or not you are able to attend the 2021 AGM, you are reminded to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong as soon as possible, and in any event, so as to be received by the Company not less than 48 hours before the time appointed for holding the 2021 AGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the 2021 AGM or any adjourned meeting thereof should you so wish.

No Shareholder is required under the Listing Rules to abstain from voting on the ordinary resolution to approve the adoption of the New Scheme and the termination of the Existing Scheme.

An announcement will be published by the Company on the websites of the Company and HKEx after the conclusion of the 2021 AGM to inform the Shareholders of the voting results of the 2021 AGM.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects, and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained in this circular misleading.

### **RECOMMENDATION**

The Board considers that the re-election of Directors, the Repurchase Mandate, the Share Issue Mandate, the adoption of the New Scheme and the termination of the Existing Scheme are in the interests of the Company and the Shareholders, and accordingly, the Board recommends the Shareholders to vote in favour of all those resolutions to be proposed at the 2021 AGM.

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**LETTER FROM THE BOARD**

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**GENERAL INFORMATION**

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**K. Wah International Holdings Limited**  
**Dr. Lui Che-woo**  
*Chairman and Managing Director*

*The biographical details of the Directors proposed to be re-elected at the 2021 AGM are set out below.*

**Dr. Moses Cheng Mo Chi** (“**Dr. Cheng**”), *GBM, GBS, OBE, JP*, (non-executive Director) aged 71, has been a non-executive Director of the Company since August 2009. He has been appointed as a member of the audit committee of the Company with effect from 31 July 2015. Dr. Cheng is a practising solicitor and a consultant of P.C. Woo & Co., a Hong Kong firm of solicitors, after serving as its senior partner from 1994 to 2015. He was also the founding chairman of The Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. Dr. Cheng was a member of the Legislative Council of Hong Kong and the chairman of the Main Board Listing Committee and the Growth Enterprise Market Listing Committee of the HK Stock Exchange and a remuneration committee member of The Financial Reporting Council in Hong Kong. Dr. Cheng is currently an independent non-executive director in China Mobile Limited, China Resources Beer (Holdings) Company Limited, Guangdong Investment Limited, Liu Chong Hing Investment Limited, The Hong Kong and China Gas Company Limited and Towngas China Company Limited, all being public listed companies on the Main Board of the HK Stock Exchange. He is also a non-executive director in Tian An China Investments Company Limited (a public listed company on the Main Board of the HK Stock Exchange). Dr. Cheng is also the chairman of the Insurance Authority. He had retired as a non-executive director of Kader Holdings Company Limited (a public listed company on the Main Board of the HK Stock Exchange) with effect from 1 May 2019. He had ceased as an independent non-executive director of OTC Clearing Hong Kong Limited (a subsidiary of HKEx) with effect from 1 July 2019. Dr. Cheng was awarded the Grand Bauhinia Medal by the Government of the HKSAR in July 2016.

Save as disclosed herein, Dr. Cheng did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and he does not hold any other positions with the Company or any of its subsidiaries.

Save as disclosed herein and except for the relationship arising from his directorship in the Company, Dr. Cheng does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Cheng has entered into a service contract with the Company pursuant to which his appointment is for a fixed term of 3 years. The term of his service as a non-executive Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws and the corporate governance practices of the Company. His emoluments comprise an annual director's fee and audit committee member's fee (both of which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting of the Company) and discretionary share options. An annual director's fee of HK\$200,000 and an annual fee of HK\$125,000 for acting as a member of audit committee will be payable to Dr. Cheng for the year ended 31 December 2020 upon approval by the Shareholders at the 2021 AGM. All these director's fees (including Dr. Cheng) for the year ending 31 December 2021 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2022. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for same position.

As at the Latest Practicable Date, Dr. Cheng has interests in 209,175 Shares and 640,000 share options of the Company. Save as disclosed herein, Dr. Cheng has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Dr. Cheng which is discloseable nor is he involved in any of the matters which falls to be disclosed pursuant to any of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Dr. William Yip Shue Lam** (“**Dr. Yip**”), *LLD*, (independent non-executive Director) aged 83, has been an independent non-executive Director and the chairman of the audit committee since June 2008 as well as the chairman of the remuneration committee and a member of the nomination committee (both appointed on 22 March 2012) of the Company. He holds a Bachelor of Arts degree and an honorary Doctor of Laws degree from the Concordia University, Canada. He is the founder and the chairman of Canada Land Limited (“**Canada Land**”) since 1972. Canada Land engaged in real estate development and tourist attraction business, listed in 1994 on the Australian Stock Exchange and was privatized in May 2013. He remains as the chairman of Canada Land. Dr. Yip is also an independent non-executive director of Galaxy Entertainment Group Limited. He was also the chairman of Cantravel Limited, Guangzhou since 1996, became a director in October 2013 and elected the chairman in December 2019 again. Dr. Yip has been active in public services and has been appointed as an Honorary Standing Committee Member of The Chinese General Chamber of Commerce (November 2012–October 2022) and the President of Concordia University Hong Kong Foundation Limited and chairman of Board of Governors, Canadian University Association in Hong Kong. He had been the President (1998–2000) and currently the member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong, and the Fellow Member of The Hong Kong Institute of Directors. In addition, Dr. Yip has been elected a Guangzhou Municipal Honorable Citizen.

Save as disclosed herein, Dr. Yip did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and he does not hold any other positions with the Company or any of its subsidiaries.

Save as disclosed herein and except for the relationship arising from his directorship in the Company, Dr. Yip does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Yip has entered into a service contract with the Company pursuant to which his appointment is for a fixed term of 3 years. The term of his service as an independent non-executive Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws and the corporate governance practices of the Company. His emoluments comprise an annual director’s fee, audit committee chairman’s fee, remuneration committee chairman’s fee and nomination committee member’s fee (all of which will be proposed by the Board for approval by the Shareholders at the subsequent year’s annual general meeting of the Company) and discretionary share options. An annual director’s fee of HK\$200,000, an annual fee of HK\$146,000 for acting as the chairman of the audit committee, an annual fee of HK\$60,000 for acting as the chairman of the remuneration committee and an annual fee of HK\$50,000 for acting as a member of nomination committee will be payable to Dr. Yip for the year ended 31 December 2020 upon approval by the Shareholders at the 2021 AGM. All these director’s fees (including Dr. Yip) for the year ending 31 December 2021 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2022. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company’s performance and profitability, the Company’s remuneration policy and the market pay-level for same position.

As at the Latest Practicable Date, Dr. Yip has interests in 572,726 Shares and 480,000 share options of the Company. Save as disclosed herein, Dr. Yip has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Dr. Yip which is discloseable nor is he involved in any of the matters which falls to be disclosed pursuant to any of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Mr. Wong Kwai Lam** (“**Mr. Wong**”), (independent non-executive Director) aged 71, has been appointed as an independent non-executive Director and a member of the remuneration committee since August 2011 as well as a member of the nomination committee (appointed in March 2012) of the Company. Mr. Wong obtained a degree of Bachelor of Arts from The Chinese University of Hong Kong (“**CUHK**”) in 1972 and a Ph. D from Leicester University, England in 1977. He has over 30 years of experience in the commercial and investment banking industry. He worked with Merrill Lynch (Asia Pacific) Limited (“**Merrill Lynch**”) from May 1993 to August 2009 where he served as a managing director in the Asia investment banking division since January 1995. Mr. Wong was appointed as a senior client advisor to Merrill Lynch in September 2009 and served in that position for one year. In his 17 years of experience in various senior positions with Merrill Lynch, Mr. Wong’s responsibilities included, among others, managing the overall business of its Asia investment banking division from March 2003 to May 2005. Prior to joining Merrill Lynch, Mr. Wong had been a director in the investment banking division of CS First Boston (Hong Kong) Limited and a director and the head of primary market in Standard Chartered Asia Limited. Mr. Wong is currently the chairman of IncitAdv Consultants Limited. Mr. Wong has been appointed as a member of the investment sub-committee and a vice chairman of the Board of Trustees of New Asia College of CUHK. He was appointed as a member of the Advisory Board of Continuing and Professional Studies of CUHK with effect from August 2017. Mr. Wong is an independent non-executive director and a member of the audit committee and designated (finance) committee of ARA Asset Management (Prosperity) Limited as the manager of Prosperity Real Estate Investment Trust (a publicly-listed company on the Main Board of the HK Stock Exchange). In April 2013, Mr. Wong was also appointed as an independent non-executive director of Langham Hospitality Investments and Langham Hospitality Investments Limited (“**LHIL**”) (a publicly-listed company on the Main Board of the HK Stock Exchange) and LHIL Manager Limited (“**LHIL Manager**”) which is the trustee-manager of Langham Hospitality Investments. Mr. Wong is the chairman of the audit committees of LHIL and LHIL Manager, and a member of the remuneration committee and nomination committee of LHIL. In December 2015, Mr. Wong has been appointed as an independent non-executive director of both Hutchison Port Holdings Trust (“**HPH Trust**”) (a company listed in Singapore) and Hutchison Port Holdings Management Pte. Limited (as the trustee-manager of HPH Trust). In May 2020, he has been appointed as an independent non-executive director and a member of the audit committee and the remuneration committee of CK Hutchison Holdings Limited (a publicly-listed company on the Main Board of the HK Stock Exchange); and he served as a member of its nomination committee from May to November 2020. In addition, Mr. Wong was a member of the Hospital Governing Committee of The Prince of Wales Hospital, Hong Kong during the period from April 2013 to 31 March 2021. He has been appointed as a director of CUHK Medical Centre Limited effective in February 2016. He has been appointed as the Chairman of the Chamber of Hong Kong Listed Companies with effect from 4 June 2019. Mr. Wong has also been appointed as the chairman and director of Hong Kong Grand Opera Company Limited in August 2019. He was formerly a member of the Advisory Committee to the Securities and Futures Commission in Hong Kong, a member of the Real Estate Investment Trust (REIT) Committee of the Securities and Futures Commission in Hong Kong and a member of the China Committee to the Hong Kong



Trade Development Council. Mr. Wong has ceased as an independent non-executive director and chairman of the remuneration and appraisal committee and a member of the audit committee of China Merchants Bank Co., Ltd. (a public listed company on the Main Board of the HK Stock Exchange and The Shanghai Stock Exchange) on 30 November 2018. He has ceased as a director and the chairman of Opera Hong Kong Limited on 14 March 2019.

Save as disclosed herein, Mr. Wong did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and he does not hold any other positions with the Company or any of its subsidiaries.

Save as disclosed herein and except for the relationship arising from his directorship in the Company, Mr. Wong does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Wong has entered into a service contract with the Company pursuant to which his appointment is for a fixed term of 3 years. The term of his service as an independent non-executive Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws and the corporate governance practices of the Company. His emoluments comprise an annual director's fee, remuneration committee member's fee and nomination committee member's fee (all of which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting of the Company) and discretionary share options. An annual director's fee of HK\$200,000, an annual fee of HK\$50,000 for acting as a member of the remuneration committee and an annual fee of HK\$50,000 for acting as a member of nomination committee will be payable to Mr. Wong for the year ended 31 December 2020 upon approval by the Shareholders at the 2021 AGM. All these director's fees (including Mr. Wong) for the year ending 31 December 2021 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2022. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for same position.

As at the Latest Practicable Date, Mr. Wong has interests in 400,000 Shares and 640,000 share options of the Company. Save as disclosed herein, Mr. Wong has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Mr. Wong which is discloseable nor is he involved in any of the matters which falls to be disclosed pursuant to any of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate to be proposed at the 2021 AGM.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$312,697,461.50 comprising 3,126,974,615 fully paid Shares, and there were also outstanding share options in respect of 69,678,000 Shares.

Subject to the passing of the ordinary resolution numbered 5.1 set out in the notice of 2021 AGM approving the proposed Repurchase Mandate and on the assumption that no further Shares will be issued (whether generally or pursuant to the exercise of the outstanding share options) and no Shares will be repurchased prior to the 2021 AGM, the Company would be allowed to repurchase a maximum of 312,697,461 Shares during the period, as referred to in the said ordinary resolution numbered 5.1, in which the Repurchase Mandate is in force.

## **REASONS FOR REPURCHASES**

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

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in the circumstances where they consider that the repurchase would be in the best interest of the Company and in the circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2020, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the Repurchase Mandate were to be exercised in full under the prevailing market value, there might not be a material adverse impact on the working capital position and gearing position of the Company. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital requirement or the gearing level of the Company which in their opinion is from time to time appropriate for the Company.

## **FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda.

## **EFFECT OF THE TAKEOVERS CODE**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code. Accordingly, a Shareholder, or a group of

Shareholders acting in concert (within the meanings of the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, 1,656,449,769 Shares, representing approximately 52.97% of the issued share capital of the Company, were held by a discretionary family trust established by Dr. Lui Che-woo as settlor. Dr. Lui Che-woo, Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, as either direct or indirect beneficiaries of the discretionary family trust, are deemed to be interested in those Shares held by the trust. Besides, apart from the shareholding interest disclosed hereinabove, these four Directors had an aggregate equity interest (including family interests and corporate interests) in 437,397,525 Shares representing approximately 13.99% of the issued share capital of the Company.

Based on such shareholding interests and in the event that the powers to repurchase Shares pursuant to the Repurchase Mandate were to be exercised in full and taking no account of the exercise of the outstanding share options, the aggregate interest held by Dr. Lui Che-woo, Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah and their close associates in the Company will increase to approximately 74.40% of the issued share capital of the Company and the Shares held by the public will not fall below 25% of the total number of Shares in issue. The Directors are not aware of any consequence which would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate in such a way as will result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

## SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the HK Stock Exchange in each of the past twelve months preceding and up to the Latest Practicable Date:

Month	Highest HK\$	Lowest HK\$
<b>2020</b>		
April	3.62	3.15
May	3.60	3.15
June	3.63	3.16
July	3.66	3.14
August	3.76	3.19
September	3.90	3.54
October	3.90	3.63
November	4.05	3.65
December	3.92	3.62
<b>2021</b>		
January	3.90	3.64
February	4.17	3.65
March	4.12	3.81
April (up to the Latest Practicable Date)	4.06	3.87

**REPURCHASE OF SHARES**

The Company had not purchased any of the Shares (whether on the HK Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their close associates currently intend to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the HK Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

*This Appendix summarizes the principal terms of the New Scheme but does not form part of, nor was it intended to be, part of the New Scheme nor should it be taken as effecting the interpretation of the rules of the New Scheme. The Directors reserve the right at any time prior to the 2021 AGM to make such amendments to the New Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix.*

**(a) PURPOSE OF THE NEW SCHEME**

The purpose of the New Scheme is (i) to attract and retain the best quality personnel for the development of the Company's businesses; (ii) to provide additional incentives to Employees, consultants, agents, representatives, advisers, suppliers of goods or services, customers, contractors, business allies and joint venture partners; and (iii) to promote the long term financial success of the Company by aligning the interests of Option Holders to Shareholders.

**(b) WHO MAY JOIN**

On and subject to the terms of the New Scheme and the requirements of the Listing Rules, the Board may offer to grant an Option to any Qualifying Grantee as the Board may in its absolute discretion select. Provided that the Board so agrees, the offer of an Option to a Qualifying Grantee may be accepted by a Related Trust or Company of such Qualifying Grantee.

**(c) ADMINISTRATION**

The New Scheme shall be subject to the administration of the Board. The Board's administrative powers include the authority, in its discretion:

- (i) to select Qualifying Grantees to whom Options may be granted under the New Scheme;
- (ii) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of Options;
- (iii) to determine the number of Shares to be covered by each Option granted under the New Scheme;
- (iv) to approve forms of Option Agreements;
- (v) to determine the terms and conditions, not inconsistent with terms of the New Scheme, of any Option based in each case on such factors as the Board, in its sole discretion, shall determine. Such terms and conditions may include, but are not limited to:
  - the exercise price;
  - the period within which the Shares must be taken up under the Option, which must not be more than 10 years from the date of grant;
  - the minimum period, if any, for which an Option must be held before it can vest;
  - the performance targets, if any, that must be achieved before the Option can be exercised;

- the amount, if any, payable on application or acceptance of the Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid; and
- prior notification being given to the Company of up to 24 hours of any intended sale of Shares allotted and issued upon exercise of the Option.

Save as may be otherwise determined by the Board from time to time, there is no minimum period for which an Option must be held nor any performance target that must be achieved before an Option can be exercised under the terms of the New Scheme;

- (vi) subject to the provisions of the New Scheme, the Bermuda Companies Act and the Listing Rules, to impose any conditions, restrictions or limitations in relation to the offer of the Options;
- (vii) to construe and interpret the terms of the New Scheme and Options granted pursuant to the New Scheme;
- (viii) to prescribe, amend and rescind rules and regulations relating to the New Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Qualifying Grantees; and
- (ix) subject to the requirements of the Listing Rules, to vary the terms and conditions of any Option Agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the New Scheme).

**(d) GRANT OF OPTION**

On and subject to the terms of the New Scheme and the requirements of the Listing Rules, the Board shall be entitled at any time within 10 years commencing on the Adoption Date to make an offer for the grant of an Option to any Qualifying Grantee as the Board may in its absolute discretion select.

**(e) RESTRICTION ON TIME OF GRANT OF OPTION**

An offer of the grant of an Option may not be made after inside information has come to the Company's knowledge and until (and including) the trading day after such inside information has been announced pursuant to the relevant requirements of the Listing Rules. In particular, but only insofar as and for so long as the Listing Rules require, no Option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the HK Stock Exchange under the Listing Rules) for the approval of the Company's interim or annual results, quarterly or any other interim period results (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish its interim or annual results announcement, or quarterly or any other interim period results announcement (whether or not required under the Listing Rules), and ending on the date of the results announcement, or such period as prescribed under the Listing Rules from time to time. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

**(f) PAYMENT ON ACCEPTANCE OF AN OPTION OFFER**

HK\$1.00 is payable by the Qualifying Grantee to the Company on acceptance of the offer of the grant of an Option.

**(g) SUBSCRIPTION PRICE**

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option but the subscription price shall not be less than whichever is the highest of (i) the closing price of the Shares as stated in the HK Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Shares as stated in the HK Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

**(h) OPTION PERIOD**

The period during which the Option may be exercised as the Board may in its absolute discretion determine and specify in the Option Agreement, save that such period shall not expire later than 10 years from the date of grant of the relevant Option.

**(i) RIGHTS ARE PERSONAL TO THE OPTION HOLDER**

An Option shall be personal to the Option Holder and shall not be assignable or transferable and no Option Holder shall in any way sell, transfer, charge, mortgage, assign, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option, or enter into any agreement so to do.

Provided that where the Option Holder is a Related Trust or Company of the Qualifying Grantee, the Option shall be deemed to have been transferred where the Option Holder were to cease to be a Related Trust or Company of the Qualifying Grantee other than by reason of the death or total permanent physical or mental disability of the Qualifying Grantee.

**(j) RIGHTS ATTACHING TO SHARES ALLOTTED**

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Bye-laws of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company. Shares allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Option Holder have been duly entered into the register of members of the Company as the holder thereof.

No Option Holder shall be entitled to any of the rights of a Shareholder by virtue of the grant of an Option pursuant to the New Scheme.

**(k) DURATION OF THE NEW SCHEME**

The New Scheme would remain in force for a period of 10 years commencing from the Adoption Date. After the expiration of the period of 10 years, no further Options shall be offered or granted but the provisions of the New Scheme shall remain in full force and effect in all other respects.

**(l) RIGHTS ON DEATH**

If an Option Holder (or in the case of an Option Holder which is a Related Trust or Company of a Qualifying Grantee, the relevant Qualifying Grantee) dies, the Option may be exercised (notwithstanding that the option period may not yet have commenced) within such period of time as is specified for the purpose of this paragraph in the Option Agreement or otherwise allowed by the Board (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for 12 months (or such longer period as the Board shall decide) following the relevant Qualifying Grantee's death. The Option may be exercised within that period by the personal representatives of the Qualifying Grantee.

If the Option is not so exercised within the time specified above, the Option shall lapse.

**(m) RIGHTS ON RETIREMENT, TOTAL PERMANENT PHYSICAL OR MENTAL DISABILITY OR TERMINATION RESULTING FROM EMPLOYER CEASING TO BE AN AFFILIATE**

If an Option Holder (or in the case of an Option Holder which is a Related Trust or Company of a Qualifying Grantee, the relevant Qualifying Grantee) becomes totally permanently physically or mentally disabled while a Qualifying Grantee or in the case of a Qualifying Grantee being an Employee, retires or ceases to be an Employee as a result of his employer ceasing to be an affiliate, the Option may be exercised (notwithstanding that the option period may not yet have commenced) within such period of time as is specified for the purpose of this paragraph in the Option Agreement and in accordance with the terms of the Option Agreement or otherwise allowed by the Board (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for 2 months (or such longer period as the Board shall decide) following the relevant Qualifying Grantee's retirement, total permanent physical or mental disability or cessation from being an Employee as a result of his employer ceasing to be an affiliate. The Option may be exercised within that period by the personal representatives of the Qualifying Grantee. If the Option is not so exercised within the time specified above, the Option shall lapse.

An Employee shall be taken to have retired on the date the Employee retires upon or after reaching the age of 60 or such earlier age as the Board may determine from time to time.



**(n) RIGHTS ON TERMINATION FOR BEING GUILTY OF SERIOUS MISCONDUCT ETC.**

If an Option Holder (or in the event of an Option Holder which is a Related Trust or Company of a Qualifying Grantee, the relevant Qualifying Grantee) ceases to be a Qualifying Grantee for being guilty of serious misconduct, or having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally, or having been convicted of any criminal offence involving his integrity or honesty, the Option shall immediately lapse.

**(o) RIGHTS ON TERMINATION OTHER THAN FOR DEATH, RETIREMENT, PERMANENT DISABILITY, TERMINATION RESULTING FROM EMPLOYER CEASING TO BE AN AFFILIATE OR MISCONDUCT**

If an Option Holder (or in the case of an Option Holder which is a Related Trust or Company of a Qualifying Grantee, the relevant Qualifying Grantee) ceases to be a Qualifying Grantee other than pursuant to paragraphs (l), (m) or (n), then, unless otherwise provided for the purpose of this paragraph in the Option Agreement, an Option Holder may exercise his Option within 2 months of such cessation (or such longer period as the Board may decide, but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

If, on the date of termination, the Option Holder is not vested as to his entire Option, then, unless otherwise provided in the Option Agreement or allowed by the Board, the Shares covered by the unvested portion of the Option shall lapse.

If the Option is not so exercised within the time specified above, the Option shall lapse.

**(p) RIGHTS ON GENERAL OFFER**

If a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and the offer becomes or is declared unconditional in all respects, the Option Holder shall be entitled to exercise the Option (to the extent not already exercised) unless otherwise provided in the Option Agreement or allowed by the Board, at any time within 1 month (or such longer period as the Board shall decide) after the date on which the offer becomes or is declared unconditional.

**(q) RIGHTS ON COMPROMISE OR ARRANGEMENT**

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with any other company or companies, the Company shall give notice to the Option Holder on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Option Holder (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his Options (to the extent not already exercised) unless otherwise provided in the Option Agreement or allowed by the Board, whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court

and becoming effective, and upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Scheme. The Company may require the Option Holder to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Option Holder in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

**(r) RIGHTS ON VOLUNTARY WINDING-UP OF THE COMPANY**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Option Holders (together with a notice of the existence of the provisions of the New Scheme relating to this paragraph (r)) and thereupon, each Option Holder (or his personal representatives) shall be entitled to exercise all or any of his Options (to the extent not already exercised) unless otherwise provided in the Option Agreement or allowed by the Board, at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Option Holder credited as fully paid.

**(s) LAPSE OF OPTION**

Subject to the discretion of the Board to extend the option period as referred to in paragraphs (c), (l), (m), (o) and (x), and without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse in any Option Agreement, an Option shall lapse automatically (to the extent not already exercised) on the earliest of (i) the expiry of the option period; (ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o), (p), (q) and (r); and (iii) the date on which the Board certifies that there has been a breach of paragraph (i).

**(t) CANCELLATION OF OPTION**

Subject to paragraph (i), the Options granted but not exercised or lapsed in accordance with the terms of the New Scheme may be cancelled by the Company with the approval of the Participant. Where the Company cancels Options and offers to issue new ones to the same Qualifying Grantee, the issue of such new Options may only be made under the New Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraph (u) below.

**(u) MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE NEW SCHEME**

**(i) *Overriding limit***

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded.

**(ii) Mandate Limit**

In addition to the limit set out in sub-paragraph (u)(i) above and prior to the approval of a refreshed mandate limit as referred to in sub-paragraph (u)(iii) below, the total number of Shares which may be issued upon exercise of all options to be granted under the New Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date, being 312,697,461 Shares ("**Mandate Limit**") (based on 3,126,974,615 issued Shares as at the Latest Practicable Date and assuming there is no change in the issued share capital of the Company prior to the Adoption Date). Options lapsed in accordance with the terms of the New Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

If the Company conducts a share consolidation or subdivision after the 10% limit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Scheme and any other schemes of the Company under the 10% limit as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same.

**(iii) Refreshing of Mandate Limit**

The Company may by ordinary resolutions of the Shareholders refresh the Mandate Limit provided the Company shall issue a circular to Shareholders before such approval is sought. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

**(iv) Grant to specifically identified Participants**

Specifically identified Participants may be granted Options beyond the Mandate Limit. The Company may in addition seek separate approval by its Shareholders in general meeting for granting Options beyond the Mandate Limit provided the Options in excess of the limit are granted only to Participants specifically identified by the Company and a circular is issued to Shareholders before such approval is sought. The date of Board meeting for proposing such further grant should be taken as the date of grant for such grants.

**(v) Limit for each Participant**

The total number of Shares issued and to be issued upon exercise of Options (including both exercised and outstanding Options) in any 12-month period granted to each Participant must not exceed 1% of the Shares in issue. Any further grant of Options to a Participant which would exceed this limit (including exercised, cancelled and outstanding Options) is subject to separate approval by the Shareholders in general meeting with the relevant Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting provided the Company shall issue a circular to Shareholders before such approval is sought. The number and terms (including the subscription price) of the Options to be granted must be

fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price. The date of Board meeting for proposing such further grant should be taken as the date for such grants.

**(v) GRANT OF OPTION TO CONNECTED PERSONS**

Insofar and for so long as the Listing Rules so require, where any offer of an Option is proposed to be made to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors (excluding any independent non-executive Director to whom the offer of an Option is proposed to be made).

Insofar and for so long as the Listing Rules so require, unless specifically approved by the Shareholders in general meeting following the issue of a circular to Shareholders by the Company, no Option may be granted to any substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the New Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of Board meeting for proposing such further grant (i) representing in aggregate over 0.1% of the issued share capital of the Company in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of the Board meeting for proposing such further grant, in excess of HK\$5 million. In such general meeting, the grant of Options to the substantial shareholder of the Company or independent non-executive Director, or any of their respective associates shall, for so long and insofar as the Listing Rules so require, be approved by the Shareholders by way of poll and the Qualifying Grantee, his associates and all core connected persons of the Company shall abstain from voting in favour of the resolution at such general meeting of the Company. Parties that are required to abstain from voting in favour as abovementioned may vote against the resolution at the general meeting of the Company provided their intention to do so has been stated in the relevant circular to Shareholders. The date of Board meeting for proposing such further grant should be taken as the date of grant for such grants.

**(w) EFFECTS OF RE-ORGANIZATION OF CAPITAL STRUCTURE**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of a capitalization of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation or subdivision of shares or reduction of capital, such corresponding alterations (if any) shall be made to (a) the number and/or nominal amount of Shares subject to the Option so far as unexercised; and/or (b) the subscription price; and/or (c) the maximum number of Shares subject to the New Scheme, as the auditors for the time being of the Company shall certify in writing to the Board to be in their opinion fair and reasonable (except in the case of a capitalization issue where no such certification shall be required), provided that: (i) any such alterations shall be made on the basis that the aggregate subscription price payable by an Option Holder on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) it was before such event; (ii) no such alterations shall be made the effect of which would

be to enable a Share to be issued at less than its nominal value; and (iii) no such alterations shall be made the effect of which would be to increase the proportion of the issued share capital of the Company for which any Option Holder is entitled to subscribe pursuant to the Options held by him.

If there has been any alteration in the capital structure of the Company as referred to above, the Company shall inform each Option Holder of such alteration and inform the Option Holder of the adjustment (if any) to be made in accordance with the certificate of the auditor obtained by the Company for such purpose.

Notwithstanding the above, any alterations should give an Option Holder the same proportion of the equity capital of the Company as that to which that Option Holder was previously entitled; and any alterations as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalization issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the Supplementary Guidance and any future guidance/interpretation of the Listing Rules issued by the HK Stock Exchange from time to time unless such alteration receives the prior approval of the Shareholders in a general meeting.

For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

**(x) ALTERATION TO THE NEW SCHEME**

The New Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Option Holders or prospective Option Holders except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Option Holders as would be required of the Shareholders under the Bye-laws for the time being of the Company for a variation of the rights attached to the Shares. Any alterations to the terms and conditions of the New Scheme, which are of a material nature and any change to the terms of the Options granted, shall be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the New Scheme.

The amended terms of the New Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Board in relation to any alteration to the terms of the New Scheme shall be approved by the Shareholders. Subject to the Listing Rules and the terms of the New Scheme, the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an Option Agreement on compassionate or any other grounds.

**(y) TERMINATION OF THE NEW SCHEME**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Scheme and in such event no further Options will be offered after the New Scheme is terminated but in all other respects the provisions of the New Scheme shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid.

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## NOTICE OF ANNUAL GENERAL MEETING

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於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

(Stock Code: 00173)

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“**2021 AGM**”) of K. Wah International Holdings Limited (“**Company**”) will be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 9 June 2021 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and the independent auditor for the year ended 31 December 2020 of the Company;
2. To declare a final dividend for the year ended 31 December 2020;
3. To re-elect directors and fix the directors’ remuneration;
4. To re-appoint auditor and authorise the directors to fix its remuneration;
5. As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions of the Company:

5.1 “**THAT**

- (a) subject to paragraph (b) of this resolution no. 5.1, a general and unconditional mandate be and is hereby granted to the directors of the Company (“**Directors**”) to exercise all the powers of the Company to repurchase or otherwise acquire, on The Stock Exchange of Hong Kong Limited (“**HK Stock Exchange**”) or on any other stock exchange on which the securities of the Company are or may be listed and recognised by the Securities and Futures Commission of Hong Kong and the HK Stock Exchange for this purpose, shares in the capital of the Company including any form of depositary receipt representing the right to receive such shares issued by the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the HK Stock Exchange or of any other stock exchange as amended from time to time;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased or otherwise acquired by the Company pursuant to the approval in paragraph (a) of this resolution no. 5.1 above during the Relevant Period (as hereinafter defined) shall not exceed ten percent (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution no. 5.1, and the said mandate shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purpose of this resolution no. 5.1,

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 5.1 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company (“**Bye-laws**”) or any applicable law to be held; or
- (iii) the revocation or variation of the authority given by this resolution no. 5.1 by the passing of an ordinary resolution by the shareholders of the Company in general meeting.”;

### 5.2 “**THAT**

- (a) subject to paragraphs (b) and (c) of this resolution no. 5.2, a general and unconditional mandate be and is hereby granted to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options which would require the exercise of such powers;
- (b) the mandate in paragraph (a) of this resolution no. 5.2 above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, warrants and options which might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of shares of the Company allotted, issued and otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued and otherwise dealt with, (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution no. 5.2 above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company; or (iii) any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of shares of the Company or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed twenty percent (20%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution no. 5.2, and the said mandate shall be limited accordingly; and



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(d) for the purpose of this resolution no. 5.2:

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 5.2 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this resolution no. 5.2 by the passing of an ordinary resolution by the shareholders of the Company in general meeting, and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities which carry the rights to subscribe for or purchase shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the registers of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”; and

5.3 **“THAT** conditional upon the passing of resolutions no. 5.1 and no. 5.2 set out in the notice of this meeting, the general mandate granted to the Directors pursuant to resolution no. 5.2 set out in the notice of this meeting and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company repurchased or otherwise acquired by the Company under the authority granted pursuant to resolution no. 5.1 set out in the notice of this meeting, provided that such extended amount shall not exceed ten percent (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution no. 5.3.”; and

6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT** conditional upon the HK Stock Exchange granting approval of the listing of and permission to deal in the shares of the Company falling to be allotted and issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular despatched to the shareholders of the Company on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to this meeting and for the purpose of identification signed by the chairman hereof (**“New Scheme”**), the New Scheme be and is hereby approved and adopted to be the share option scheme for the Company and that the Directors be authorised to take all such steps as may be necessary or desirable to implement such New Scheme and to grant options thereunder and to allot and issue shares pursuant to the New Scheme, and the existing share option

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scheme of the Company which was adopted by the Company at its general meeting on 20 June 2011 (“**Existing Scheme**”) be terminated with effect from the date on which such resolution shall become unconditional, such that thereafter no further options shall be offered or granted under the Existing Scheme, but the options which have already been granted and remain outstanding shall remain valid and exercisable in accordance with their terms of issue.”

By Order of the Board of  
**K. Wah International Holdings Limited**  
**Lee Wai Kwan, Cecilia**  
*Company Secretary*

Hong Kong, 27 April 2021

**Notes:**

- (i) Shareholder entitled to attend and vote at the 2021 AGM is entitled to appoint one or more proxy(ies) to attend and, on a poll, vote on his/her behalf. A proxy needs not be a shareholder of the Company.
- (ii) Where there are joint holders of any share, any one of such persons may vote at the 2021 AGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the 2021 AGM personally or by proxy, then one of the said persons so present whose name stands first on the registers of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) To be valid, the proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority must be deposited at the principal place of business of the Company in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong (for the attention of the company secretary of the Company) not less than 48 hours before the time appointed for holding the 2021 AGM or any adjournment thereof. Completion and return of the proxy form shall not preclude a shareholder from attending and voting in person at the 2021 AGM or any adjourned meeting thereof should he/she so wish.
- (iv) The registers of members of the Company will be closed from 4 June 2021 to 9 June 2021 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2021 AGM, all shares transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (“**Company's HK Branch Share Registrar**”) for registration not later than 4:30 p.m. on 3 June 2021.
- (v) With regard to agenda item 2 above, the board of directors of the Company (“**Board**”) has recommended a final cash dividend of 14 HK cents per share. The registers of members of the Company will be closed from 18 June 2021 to 23 June 2021 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all shares transfer documents accompanied by the relevant share certificates must be lodged with the Company's HK Branch Share Registrar for registration not later than 4:30 p.m. on 17 June 2021.
- (vi) With regard to agenda item 3 above, Dr. Moses Cheng Mo Chi, Dr. William Yip Shue Lam and Mr. Wong Kwai Lam will retire and stand for re-election at the 2021 AGM. Their biographical details are set out in Appendix I to this circular. The Board recommends the re-election of all the retiring Directors, and re-election of each of the retiring Directors will be voted on individually by a separate resolution.
- (vii) Also, with regard to agenda item 3 above, the remuneration payable to the Directors who serve on the Board, the audit committee (“**Audit Committee**”), the remuneration committee (“**Remuneration Committee**”) and the nomination committee (“**Nomination Committee**”) of the Company for the year ended 31 December 2020, and for each financial year afterwards

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## NOTICE OF ANNUAL GENERAL MEETING

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until the Company in next or subsequent general meeting otherwise determines, will be at the levels as shown in the table below. Such remuneration payable to the Directors will be calculated, if applicable, on a pro rata basis by reference to the actual number of days in office in the relevant financial year.

	<b>Fees for Directors acting as such for the year ended 31 December 2020 (and for subsequent financial years until otherwise determined)</b>	
	<b>Chairman HK\$</b>	<b>Member HK\$</b>
Board	232,000	200,000
Audit Committee	146,000	125,000
Remuneration Committee	60,000	50,000
Nomination Committee	60,000	50,000

- (viii) With regard to agenda item 4 above regarding the authorisation for the Directors to fix auditor's remuneration, shareholders are advised that, in practice, auditor's remuneration for the year ending 31 December 2021 cannot be determined at the beginning of the year because such remuneration will vary by reference to the scope and extent of audit and other work performed in the year. In order to be able to charge the amount of auditor's remuneration as operating expenses for the year ending 31 December 2021, shareholders' approval to delegate the authority to the Directors to fix the auditor's remuneration is required, and is hereby sought, at the 2021 AGM.
- (ix) With regard to agenda item 5 above, shareholders are advised that, at present, the Directors do not have any immediate plans to issue any new shares or repurchase any existing shares of the Company pursuant to the general mandates referred therein. However, the Directors believe that it is in the interest of the Company and its shareholders to grant such general mandates to the Directors to enable them to issue and repurchase shares. Shareholders' attention is also drawn to the explanatory statement on the proposed repurchase mandate in Appendix II to this circular.
- (x) With regard to agenda item 6 above, shareholders are advised that the Directors do not have any immediate intention to grant any options under the Existing Scheme before the date of 2021 AGM. The Existing Scheme will expire on 19 June 2021. In order to enable the continuity of the Company's share option scheme, shareholder's approval to adopt the New Scheme and to replace the Existing Scheme is required, and is hereby sought at the 2021 AGM. The principal terms of the New Scheme are set out in Appendix III to this circular.
- (xi) The 2021 AGM will be held on Wednesday, 9 June 2021 as scheduled regardless of whether or not an amber or red rainstorm warning signal and/or a tropical cyclone warning signal No. 3 or below is in force in Hong Kong at any time on that day. Shareholders should make their own decision as to whether they would attend the 2021 AGM under bad weather conditions having regard to their own situation and if they should choose to do so, they are advised to exercise care and caution.

However, if a tropical cyclone warning signal No. 8 or above is hoisted or a black rainstorm warning signal is in force, or "extreme conditions" resulting from a typhoon or a rainstorm are announced by the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("**HKSAR Government**") at or any time between 9:00 a.m. and 11:00 a.m. on the date of the 2021 AGM, the 2021 AGM may be adjourned to a later date and/or time as determined by the Company and a notice of the adjournment and alternative meeting arrangements will be published on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.kwih.com](http://www.kwih.com)), however, a failure to post such a notice shall not affect the adjournment of the 2021 AGM.

- (xii) Considering the outbreak of the novel Coronavirus (COVID-19), the Company will implement the following preventive and control measures at the meeting venue of the 2021 AGM, including, without limitation, (a) compulsory temperature checks for all attendees; (b) compulsory wearing of surgical face masks by all attendees prior to admission to the meeting venue and throughout the 2021 AGM; (c) maintenance of proper distance between seats; (d) refreshment and coffee/tea will not be provided/served; and (e) attendees who are subject to quarantine prescribed by the HKSAR Government and/or exhibiting flu-like symptoms may be denied entry into the meeting venue. Any person who does not comply with the precautionary

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measures may be denied entry into the meeting venue of the 2021 AGM. The Company reminds the attendees that they should carefully consider the risk of attending the 2021 AGM taking into account of their own personal circumstances. Furthermore, the Company strongly encourages the shareholders to appoint the chairman of the 2021 AGM as his/her proxy to vote on the resolutions as an alternative to attending the 2021 AGM in person.

The Company will keep monitoring the evolvement of the COVID-19 outbreak and may implement additional measures as and when appropriate.

(xiii) This notice is in English and Chinese. In case of any inconsistency, the English version shall prevail.