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If you have sold or transferred all your shares in K. Wah International Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN NANJING, THE PRC

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — GENERAL INFORMATION	II-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	K. Wah International Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00173)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB4,790 million (equivalent to approximately HK\$5,546 million), being the total consideration payable by the Purchaser for the Land Acquisition
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land parcel with a total site area of 148,316.25 square meters situated at south of Jiangdongnan Road and east of Qinglian Street, Shuangzha Street, Jianye District in Nanjing, the PRC and reaches Wuhou Street to the east, Yuanqian Road to the south, Qinglian Street to the west, and Jiangdongnan Road to the north* (中國南京建鄴區雙閘街道江東南路以南、青蓮街以東地塊，東至吳候街，南至元前路，西至青蓮街，北至江東南路), with the land parcel file number* (宗地編號) 320105003004GB00058 and the land parcel number* (地塊編號) 2020G72
“Land Acquisition”	the acquisition of the Land Use Rights of the Land by the Purchaser
“Land Use Rights”	the state-owned construction land use rights* (國有建設用地使用權) of the residential usage with a term of 70 years, and non-residential usage (including commercial, apartment, office and hotel usage) with a term of 40 years
“Land Use Rights Grant Contract”	the state-owned construction land use rights grant contract* (國有建設用地使用權出讓合同) in Chinese language entered into between Nanjing Municipal Planning and Natural Resources Bureau as the transferor and the Purchaser as the transferee on 5 November 2020 in relation to the Land Acquisition

DEFINITIONS

“Latest Practicable Date”	23 November 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excluding the option market) operated by the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Nanjing Municipal Planning and Natural Resources Bureau”	Nanjing Municipal Planning and Natural Resources Bureau* (南京市規劃和自然資源局), a bureau established by the local government of Nanjing and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules
“percentage ratios”	percentage ratios set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Governmental Body”	has the meaning ascribed to it under Rule 19A.04 of the Listing Rules
“Purchaser”	Raise Corporation Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Qualified Issuer”	has the meaning ascribed to it under Rule 14.04(10B) of the Listing Rules
“Qualified Property Acquisition”	has the meaning ascribed to it under Rule 14.04(10C) of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	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 Option(s)”	share option(s) granted pursuant to the share option scheme adopted by the Company on 20 June 2011
“Shareholder(s)”	holder(s) of the Share(s)
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

In this circular, the English names of the PRC entities or enterprises marked with “” are translations of their Chinese names and are included in this circular for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese names shall prevail.*

For the purpose of this circular, unless otherwise indicated, the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.1578. Such rate is for the purpose of illustration only and does not constitute a representation that any amount in question in RMB or HK\$ has been or could have been or may be converted at such or another rate or at all.



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

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

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

30 November 2020

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN NANJING, THE PRC**

INTRODUCTION

Reference is made to the announcement of the Company dated 21 October 2020 in relation to the acquisition of Land Use Rights in Nanjing, the PRC.

The purpose of this circular is, among other things, to provide you with (i) further details of the Land Acquisition; and (ii) the financial information of the Group.

LETTER FROM THE BOARD

ACQUISITION OF LAND USE RIGHTS

On 21 October 2020, the Purchaser, an indirect wholly-owned subsidiary of the Company, won the bid in respect of the Land Use Rights of the Land situated at Nanjing, the PRC. The Land Use Rights Grant Contract in respect of the Land Acquisition was entered into on 5 November 2020 by the Purchaser with the Nanjing Municipal Planning and Natural Resources Bureau, the major terms of which are set out below:

- Date of the Land Use Rights Grant Contract : 5 November 2020
- Parties : (1) Nanjing Municipal Planning and Natural Resources Bureau (as the transferor); and
(2) the Purchaser (as the transferee)
- Location of the Land : The Land parcel is situated at south of Jiangdongnan Road and east of Qinglian Street, Shuangzha Street, Jianye District in Nanjing, the PRC and it reaches Wuhou Street to the east, Yuanqian Road to the south, Qinglian Street to the west, and Jiangdongnan Road to the north* (中國南京建鄴區雙閘街道江東南路以南、青蓮街以東地塊，東至吳候街，南至元前路，西至青蓮街，北至江東南路)
- Total site area : 148,316.25 square meters, inclusive of 40,390.93 square meters as underground land transfer site area mainly for carparks
- Total gross floor area : Approximately 477,000 square meters, to be developed tentatively into: (i) residential units of approximately 125,000 square meters, apartments of approximately 53,000 square meters and offices of approximately 91,000 square meters to be held for sale; and (ii) offices of approximately 113,000 square meters, hotel and serviced apartments of approximately 50,000 square meters and commercial facilities of approximately 45,000 square meters to be held for recurring rental income
- Bidding security deposit : HK\$2,800 million has been paid by the Purchaser on 16 October 2020 as the bidding security deposit and shall be returned to the Purchaser within three business days after the settlement of 50% of the Consideration under the payment terms below
- Consideration : RMB4,790 million (equivalent to approximately HK\$5,546 million)
- Payment terms : the payment terms of the Consideration, as amended pursuant to the Land Use Rights Grant Contract, is as follows:
(1) 50% of the Consideration, i.e., RMB2,395 million (equivalent to approximately HK\$2,773 million), shall be payable by 21 May 2021; and

LETTER FROM THE BOARD

- (2) the remaining 50% of the Consideration, i.e., RMB2,395 million (equivalent to approximately HK\$2,773 million), shall be payable by 21 October 2021

Date of delivery of the Land : The Land will be delivered to the Purchaser by 1 November 2021, as amended pursuant to the Land Use Rights Grant Contract, provided that full payment of the Consideration has been made by the Purchaser in accordance with the payment terms of the Land Use Rights Grant Contract

Term of the Land Use Rights and use of the Land : The Land is designated for residential usage with a term of 70 years and non-residential usage (including commercial, apartment, office and hotel usage) with a term of 40 years

BASIS FOR DETERMINING THE CONSIDERATION

The Consideration was determined by the successful bid of the Land by the Purchaser through listing-for-sale which was conducted in accordance with the relevant PRC laws and regulations. The Purchaser considered the bidding price for the Land was fair after taking into account, among other things, (i) the base price of the bid of RMB4,790 million set by Nanjing Municipal Planning and Natural Resources Bureau; (ii) the current property market conditions in Jianye District, Nanjing, the PRC and areas nearby which is under a steady development; and (iii) the location of the Land, which is close to the central business district of Hexi with good public transportation network, and accordingly, of great development potential. No independent valuation has been taken as reference for setting the bidding price.

FINANCIAL EFFECTS OF THE LAND ACQUISITION

Immediately upon completion of the Land Acquisition and assuming RMB4,790 million of the consideration is intended to be satisfied by (i) internal resources of the Group in the amount of approximately RMB3,420 million; and (ii) external financing in the amount of approximately RMB1,370 million, the financial effects of the Land Acquisition to the Group are: (i) an increase of asset arising from the Land amounting to RMB4,790 million; and (ii) an increase of net debts by RMB4,790 million calculated by a decrease in cash on hand and an increase in debt. Save as the abovementioned, the Directors consider that the Land Acquisition will not have any other material effect on the total assets, total liabilities and earnings of the Group.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Land is located in the south of Hexi New Town, Jianye District, Nanjing, the PRC, which is a core urban district of great potential for development of properties. The Land is located in close proximity to the central business district of Hexi and next to Wuhoujie Metro Station. In view of the prime location of the Land and the good public transportation networks in the surrounding area, the Land Acquisition is expected to bring a satisfactory return to the Group from the disposal of the properties to be developed on the Land which are to be held for sale, and generate future recurring income and capital value from the retained portions of the properties on the Land. The Board considers that the Land Acquisition will replenish the land bank of the Group for development and provide a valuable investment opportunity which is in line with the business development strategy and planning of the Group.

LETTER FROM THE BOARD

The Board is of the view that the Land Acquisition is in the Group's ordinary and usual course of business, the terms of the Land Acquisition are fair and reasonable and the Land Acquisition is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company. Its principal subsidiaries are mainly engaged in property development and property investment in Hong Kong and the PRC.

The Purchaser

The Purchaser is an indirectly wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It is an investment holding company, whose subsidiary is to be principally engaged in the development of the Land.

Nanjing Municipal Planning and Natural Resources Bureau

Nanjing Municipal Planning and Natural Resources Bureau is a bureau established by the local government of Nanjing and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Nanjing Municipal Planning and Natural Resources Bureau and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

The Land Acquisition constitutes a transaction under Chapter 14 of the Listing Rules as certain portions of the properties to be developed on the Land will be held for sale while the remaining portions will be held as non-current assets for recurring income. As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Land Acquisition exceeds 25% but is less than 100%, the Land Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

As the Group's principal business activities include property development, the Company is regarded as a Qualified Issuer under Rule 14.04(10B) of the Listing Rules. Besides, the Land Acquisition is regarded as a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of governmental land(s) from a PRC Governmental Body through listing-for-sale governed by the PRC laws (as defined under the Listing Rules), which is undertaken by the Group via the Purchaser on a sole basis in its ordinary and usual course of business. As such, the Land Acquisition is subject to reporting and announcement requirements but exempt from Shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the Land Acquisition (including the terms of the Land Use Rights Grant Contract) is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors have any material interest in the Land Use Rights Grant Contract.

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board of
K. Wah International Holdings Limited
Dr. Lui Che-woo
Chairman and Managing Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the last three financial years ended 31 December 2017, 2018 and 2019 are disclosed in the annual reports of the Company for each of the three years ended 31 December 2017, 2018 and 2019 respectively. These annual reports are published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.kwih.com>):

- (a) the audited consolidated financial statements of the Group for the year ended 31 December 2017 as set out on pages 70 to 142 of the 2017 annual report of the Company which was posted on 19 April 2018 on the Stock Exchange's website (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0419/ltn20180419358.pdf>);
- (b) the audited consolidated financial statements of the Group for the year ended 31 December 2018 as set out on pages 67 to 138 of the 2018 annual report of the Company which was posted on 17 April 2019 on the Stock Exchange's website (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417479.pdf>); and
- (c) the audited consolidated financial statements of the Group for the year ended 31 December 2019 as set out on pages 69 to 138 of the 2019 annual report of the Company which was posted on 20 April 2020 on the Stock Exchange's website (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0420/2020042000788.pdf>).

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2020, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had approximately HK\$23,630 million outstanding indebtedness comprising the following debts:

- (a) HK\$3,158 million bank borrowings were guaranteed and secured by the Group's certain development properties;
- (b) HK\$1,244 million bank borrowings were unguaranteed but were secured by the Group's certain land and building, investment properties, right-of-use assets, and development properties;
- (c) HK\$18,220 million bank borrowings were guaranteed but unsecured;
- (d) HK\$1,000 million notes liabilities were guaranteed but unsecured; and
- (e) lease liabilities of HK\$8 million relating to premises leased by the Group as lessee were unsecured.

Contingent liabilities

The Group has provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.

As at 31 October 2020, the Group provided guarantees in respect of mortgage facilities granted by banks relating to the mortgage loans arranged for certain purchasers of the Group's properties in the PRC amounting to approximately HK\$670 million.

As at 31 October 2020, the Group provided guarantees in respect of financial guarantees given to the financial institutions for the loan facilities extended to the Group's joint ventures amounting to approximately HK\$5,929 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business of the Group, at the close of business on 31 October 2020, the Group did not have any (i) debt securities of the Group issued and outstanding, and authorised or otherwise created but unissued, and term loans; (ii) other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; (iii) mortgages and charges; and (iv) any material contingent liabilities or guarantees.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, taking into account the financial resources available to the Group including the internally generated funds and the present available bank facilities, and taking into account the impact of the Land Acquisition, the Group will have sufficient working capital for its requirements for at least the next 12 months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in property development and investment in Hong Kong and the PRC.

For the six months ended 30 June 2020, the global economy was severely affected by the COVID-19 pandemic which substantially halted global economic activity. Escalating geopolitical tensions further dampened the confidence of both consumers and investors. However, the residential property market of Hong Kong remained resilient due to the pent-up underlying demand. Despite the prevailing economic slowdown and an increasing unemployment rate, the supporting fundamentals remain and the property market is not expected to see significant adjustments in the near term. On the other hand, the PRC property market saw stronger momentum and sales activities rebounded soon after city lockdowns were lifted. In response, certain local governments in the PRC adopted more restrictive measures in certain cities of the PRC to prevent the property market from overheating.

In late 2020 or early 2021, the Group plans to launch new projects on Grampian Road, and in Cheung Sha Wan, Hong Kong as well as new projects in the Songshan Lake District of Dongguan, Huadu of Guangzhou, and Suzhou, the PRC, while also putting more units of launched projects onto the market, in order to meet buyers' demand.

The Group participated in a number of land bids during 2020. The successful bid for the Land is expected to bring a satisfactory return to the Group due to the prime location with great potential for development of properties as well as strengthening the Group's penetration in the property market of Nanjing, the PRC. In late October 2020, the Group, in a consortium with three other property developers also won the tender for phase 13 development of LOHAS Park, Hong Kong. The Group will continue to exercise discipline and sound judgment in evaluating land replenishment opportunities in Hong Kong and the PRC.

The Group remains cautiously optimistic about the Hong Kong and PRC property market demand in the medium and longer term despite the challenging business environment. The Group will continue to review its business operations and financial position with a view to achieving the best interest of the Company and the Shareholders as a whole.

1. 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 herein or this circular misleading.

2. DIRECTORS' INTERESTS IN SECURITIES AND UNDERLYING SHARES

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept under section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Long Positions in the Shares (including underlying Shares)

Name of Director	Capacity/Nature	Number of Shares held	Approximate % of total interests to the issued share capital of the Company
Dr. Lui Che-woo	Beneficial owner	31,005,941	64.75%
	Interest of spouse ^(Note 1)	8,317,120	
	Interest of controlled corporation ^(Note 2)	334,612,213	
	Others ^(Note 3)	1,650,678,769	
		2,024,614,043	
Mr. Francis Lui Yiu Tung	Beneficial owner	11,138,035	53.14%
	Others ^(Note 3)	1,650,678,769	
		1,661,816,804	
Ms. Paddy Tang Lui Wai Yu	Beneficial owner	27,957,605	53.69%
	Interest of controlled corporation ^(Note 4)	210,000	
	Others ^(Note 3)	1,650,678,769	
		1,678,846,374	
Mr. Alexander Lui Yiu Wah	Beneficial owner	20,151,428	53.56%
	Interest of controlled corporation ^(Note 5)	4,005,183	
	Others ^(Note 3)	1,650,678,769	
		1,674,835,380	
Dr. Moses Cheng Mo Chi	Beneficial owner	849,175	0.03%
Dr. William Yip Shue Lam	Beneficial owner	1,052,726	0.03%
Mr. Wong Kwai Lam	Beneficial owner	1,040,000	0.03%
Mr. Nip Yun Wing	Beneficial owner	160,000	0.01%

Notes:

- (1) Dr. Lui Che-woo is deemed to be interested in 8,317,120 Shares through the interests of his spouse.
- (2) Such Shares are held by companies which are controlled by Dr. Lui Che-woo.
- (3) Such interests in the Shares are indirectly held by a company which is the trustee of a discretionary family trust established by Dr. Lui Che-woo as settlor. Dr. Lui Che-woo, Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah are deemed to be interested in those Shares by virtue of being the discretionary beneficiaries of the discretionary family trust.
- (4) Such Shares are held by a company controlled by Ms. Paddy Tang Lui Wai Yu.
- (5) Such Shares are held by a company controlled by Mr. Alexander Lui Yiu Wah.

All the interests stated above represent long position. Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had registered an interest or short position in any shares or underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Underlying Shares — Share Options

Share Options, which are unlisted and physically settled, to subscribe for Shares were beneficially held by certain Directors.

Name of Director	Number of outstanding Share Options as at the Latest Practicable Date	Date of grant	Exercise price per share (HK\$)	Exercise period
Dr. Lui Che-woo	2,800,000	21 Jan 2016	2.796	21 Jan 2017 — 20 Jan 2022
	2,900,000	17 Jul 2017	4.760	17 Jul 2018 — 16 Jul 2023
	3,000,000	18 Jul 2018	4.520	18 Jul 2019 — 17 Jul 2024
	3,100,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026
Mr. Francis Lui Yiu Tung	1,300,000	21 Jan 2016	2.796	21 Jan 2017 — 20 Jan 2022
	1,300,000	17 Jul 2017	4.760	17 Jul 2018 — 16 Jul 2023
	1,300,000	18 Jul 2018	4.520	18 Jul 2019 — 17 Jul 2024
	1,300,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026
Ms. Paddy Tang Lui Wai Yu	1,000,000	21 Jan 2016	2.796	21 Jan 2017 — 20 Jan 2022
	2,900,000	17 Jul 2017	4.760	17 Jul 2018 — 16 Jul 2023
	3,000,000	18 Jul 2018	4.520	18 Jul 2019 — 17 Jul 2024
	3,100,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026

Name of Director	Number of outstanding Share Options as at the Latest Practicable Date	Date of grant	Exercise price per share (HK\$)	Exercise period
Mr. Alexander Lui Yiu Wah	2,800,000	21 Jan 2016	2.796	21 Jan 2017 — 20 Jan 2022
	2,900,000	17 Jul 2017	4.760	17 Jul 2018 — 16 Jul 2023
	3,000,000	18 Jul 2018	4.520	18 Jul 2019 — 17 Jul 2024
	3,100,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026
Dr. Moses Cheng Mo Chi	160,000	21 Jan 2016	2.796	21 Jan 2017 — 20 Jan 2022
	160,000	17 Jul 2017	4.760	17 Jul 2018 — 16 Jul 2023
	160,000	18 Jul 2018	4.520	18 Jul 2019 — 17 Jul 2024
	160,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026
Dr. William Yip Shue Lam	160,000	17 Jul 2017	4.760	17 Jul 2018 — 16 Jul 2023
	160,000	18 Jul 2018	4.520	18 Jul 2019 — 17 Jul 2024
	160,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026
Mr. Wong Kwai Lam	160,000	21 Jan 2016	2.796	21 Jan 2017 — 20 Jan 2022
	160,000	17 Jul 2017	4.760	17 Jul 2018 — 16 Jul 2023
	160,000	18 Jul 2018	4.520	18 Jul 2019 — 17 Jul 2024
	160,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026
Mr. Nip Yun Wing	160,000	15 Jul 2020	3.462	15 Jul 2021 — 14 Jul 2026

All the options granted were subject to a one-year vesting period.

Dr. Lui Che-woo, Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, by virtue of their deemed interests in the Shares as described in Note (3) in section (a) “Long Positions in the Shares (including underlying Shares)” above and as Directors, are deemed to be interested in the issued share capital of every subsidiary, joint venture and associated company of the Company held through the Company under the provision of the SFO.

As at the Latest Practicable Date, the following Directors were directors of companies which had an interest in the Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (i) Dr. Lui Che-woo is a director of CWL Assets (PTC) Limited, Super Focus Company Limited, Star II Limited and Favor Right Investments Limited, which are interested in approximately 52.79%, 35.83%, 8.47% and 6.77% of the issued share capital of the Company, respectively; and
- (ii) Dr. Lui Che-woo and Mr. Francis Lui Yiu Tung are directors of Lui Che Woo Foundation Limited, a company which is interested in approximately 6.60% of the issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed directors of the Company (if any) was a director or employee of a company which had any interest in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST IN SECURITIES

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity/Nature	Number of Shares held (Long position)	Approximate % of issued share capital of the Company
HSBC International Trustee Limited	Trustee	1,651,920,737 ^(Note)	52.83%
CWL Assets (PTC) Limited	Trustee	1,650,678,769	52.79%
Super Focus Company Limited	Beneficial owner	1,120,247,673	35.83%
Star II Limited	Interest of controlled corporation	264,752,460	8.47%
Favor Right Investments Limited	Beneficial owner	211,594,444	6.77%
Lui Che Woo Foundation Limited	Beneficial owner	206,285,639	6.60%
Premium Capital Profits Limited	Beneficial owner	184,229,079	5.89%

Note: HSBC International Trustee Limited is the trustee of the trust established by Dr. Lui Che-woo as the settlor, was interested in 1,650,678,769 Shares.

There was duplication of interests of 1,650,678,769 Shares among Dr. Lui Che-woo, Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu, Mr. Alexander Lui Yiu Wah, HSBC International Trustee Limited and CWL Assets (PTC) Limited. Of these Shares, 1,120,247,673 Shares were interested by Super Focus Company Limited, 54,084,192 Shares were interested by Best Chance Investments Ltd., 211,594,444 Shares were interested by Favor Right Investments Limited, 184,229,079 Shares were interested between Premium Capital Profits Limited and Star II Limited and 80,523,381 Shares were interested between Mark Liaison Limited and Star II Limited.

Save as disclosed above, as at the Latest Practicable Date and so far as is known to any Director or chief executive of the Company, no other person had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, Dr. Lui Che-woo, Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah (collectively, the "**Relevant Directors**"), as either directly or indirectly through a discretionary family trust and other privately-owned companies, are deemed to be interested in several independently managed companies, which are also engaging in property investment, trading, and development. The business of these companies ("**Competing Business**") may compete, directly or indirectly, with the business of the Group. The Relevant Directors are also directors of certain holding companies of the Competing Business.

Notwithstanding the interests of the Relevant Directors in the Competing Business disclosed above, the Group is able to carry on its business independent of, and at arm's length from, the Competing Business, given that the Company has a strong and independent Board with half of the Directors being non-executive/independent non-executive Directors as at the Latest Practicable Date. These non-executive/independent non-executive Directors are professionals (audit/accounting and legal) or prominent businessmen. The Company has established corporate governance procedures, which ensure investment opportunities and business performance are independently assessed and reviewed. The Relevant Directors are fully aware of their fiduciary duty to the Company, and will abstain from voting on any matter where there is, or there may be, a conflict of interest. The Directors therefore consider that the Group's interests are adequately safeguarded.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and his/her close associates is interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

On 20 August 2020, the Company and Polymate Co., Ltd. ("**Polymate**") (a wholly-owned subsidiary of a substantial shareholder of the Company and such substantial shareholder is also the trustee of a discretionary family trust established by Dr. Lui Che-woo as settlor and of which members of Lui's family, including Dr. Lui Che-woo, Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, are the discretionary beneficiaries) had entered into a master lease agreement, pursuant to which the Group (as lessee) may renew or enter into new leases with the group companies of Polymate (as lessor) in respect of the leasing and/or licensing of certain properties and car-parking spaces beneficially owned by the respective subsidiaries of Polymate for a term of 3-year period from 1 November 2020 to 31 October 2023 (both days inclusive). Further details are set out in the announcement of the Company dated 20 August 2020.

Save as disclosed above, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular which was significant in relation to the businesses of the Group.

6. ADDITIONAL DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (a) none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which was not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation; and
- (b) to the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

7. MATERIAL CONTRACTS

No contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within two years immediately preceding the issue of this circular which are or may be material.

8. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group.

9. MISCELLANEOUS

- (a) The English text of this circular shall prevail over the Chinese text in the event of any inconsistency.
- (b) The company secretary of the Company is Ms. Cecilia Lee Wai Kwan who is a solicitor qualified in Hong Kong and a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute in the United Kingdom.
- (c) The principal place of business of the Company in Hong Kong is at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong. The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.
- (d) The principal share registrar and transfer office of the Company in Bermuda is MUFG Fund Services (Bermuda) Limited, 4th floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda.
- (e) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited whose address is situated at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection 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, for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the financial years ended 31 December 2019 and 2018; and
- (c) this circular.