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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 a 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 Convenience Retail Asia Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**CONVENIENCE RETAIL ASIA LIMITED**

**利亞零售有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00831)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
FINAL DIVIDEND  
SPECIAL DIVIDEND OUT OF SHARE PREMIUM  
RE-ELECTION OF DIRECTORS  
TRANSFER OF MERGER RESERVE TO RETAINED EARNINGS  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
ADOPTION OF THE 2020 SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Convenience Retail Asia Limited (the "Company") to be held at 7th Floor, Hong Kong Spinners Industrial Building, Phases I & II, 800 Cheung Sha Wan Road, Kowloon, Hong Kong on Wednesday, 29 April 2020 at 4:00 p.m. is set out on pages 37 to 42 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event, not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting should you so wish.

25 March 2020

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## DEFINITIONS

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

“2020 Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which are set out in Appendix III of this circular
“Adoption Date”	29 April 2020 (the date on which the 2020 Share Option Scheme to be adopted by an ordinary resolution of the Shareholders)
“Affiliate”	a company that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of the holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder of the Company; or (g) a company controlled by the Company; or (h) an associated company of the holding company of the Company; or (i) an associated company of the Company; or (j) an associated company of the controlling shareholder of the Company
“AGM”	the annual general meeting of the Company to be held at 7th Floor, Hong Kong Spinners Industrial Building, Phases I & II, 800 Cheung Sha Wan Road, Kowloon, Hong Kong on Wednesday, 29 April 2020 at 4:00 p.m., notice of which is set out on pages 37 to 42 of this circular
“Bankruptcy Cause”	in relation to a Grantee, having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his/her creditors generally
“Board”	the board of Directors or a duly authorised committee thereof
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities

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## DEFINITIONS

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“close associate”	has the meaning ascribed thereto in the Listing Rules
“Commencement Date”	in respect of any particular Option, the date on which that Option is deemed to have been granted in accordance with the 2020 Share Option Scheme
“Company”	Convenience Retail Asia Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Company’s Retained Earnings”	the retained earnings account of the Company
“Competitor”	any corporation, partnership, joint venture, trust, individual proprietorship, firm, governmental unit or other enterprise (including any of their respective affiliates) that carries on activities for profit or is engaged in or is about to become engaged in any activities of any nature that competes (directly or indirectly) with a product, process, technique, procedure, device or service of the Company or any Affiliate
“core connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Employee”	any employee (whether full time or part time employee including any executive director) of the Company or any Affiliate. A Grantee shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company or the relevant Affiliate; or (b) transfers between locations of the Company; or (c) transfers between the Company and any Affiliates
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 10 May 2010
“Grantee”	any Qualifying Participant who accepts the offer of the grant of an Option in accordance with the terms of the 2020 Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the Qualifying Participant

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“Group’s Retained Earnings”	the retained earnings account in the consolidated financial statements of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Mandate Limit”	has the meaning set out in sub-paragraph 21(b) of Appendix III to this circular
“Issue Date”	the date on which Shares are issued to a Grantee pursuant to the exercise of an Option granted under the 2020 Share Option Scheme, and shall be deemed to be the date on which the Grantee is registered in the register of members of the Company as holder of such Shares
“Latest Practicable Date”	18 March 2020, 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 Stock Exchange, as amended from time to time
“Mandate Limit”	the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be)
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company
“Merger Reserve”	the merger reserve account in the consolidated financial statements of the Company

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## DEFINITIONS

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“Misconduct”	in relation to a Grantee, such event as will entitle the Company, any member of the Group and/or any Affiliate to terminate the employment or service of the Grantee with immediate notice or payment in lieu of notice and without compensation under the relevant employment or service agreement or equivalent or, if it is not otherwise provided for in such agreement: (a) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence; (b) a material breach of any agreement or understanding between the Grantee and the Company, any member of the Group and/or any Affiliate, including any applicable invention assignment, employment, non-competition, confidentiality or other similar agreement; (c) misrepresentation or omission of any material fact in connection with his/her employment or service agreement or equivalent; (d) a material failure to perform the customary duties of an employee of the Company, any member of the Group and/or any Affiliate (where relevant), to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or any member of the Group or any Affiliate; or (e) any conduct that is or is reasonably likely to be materially adverse to the name, reputation or interests of the Group or any Affiliate
“Notice”	the notice of the AGM set out on pages 37 to 42 of this circular
“Option(s)”	any option(s) to subscribe for Share(s) granted pursuant to the 2020 Share Option Scheme
“Option Agreement”	the offer and acceptance letter between the Company and a Grantee evidencing the terms and conditions of an individual Option, and each Option Agreement is subject to the terms and conditions of the 2020 Share Option Scheme

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## DEFINITIONS

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“Option Period”	in respect of any particular Option, such period as the Board may in its absolute discretion determine and specify in relation to any particular Grantee in his/her Option Agreement during which the Option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the Listing Rules from time to time (which is, as at the date of adoption of the 2020 Share Option Scheme, a period of 10 years from the Commencement Date)
“Qualifying Participant”	a Service Provider or if the Service Provider requests and the Board so agrees, the related trusts and companies of the Service Provider
“Redundancy”	the termination of an employment of an Employee attributable wholly or mainly to one of the following situations: (a) reduction of business or closure of a division/business line or cessation of customer account(s) for which the Employee was employed; (b) the requirement of the business for the particular kind of work performed by the Employee ceases or diminishes; (c) necessity to reduce headcount due to organisational changes; and/or (d) a change has occurred in the ownership of the business for the purpose of which the Employee is employed
“Refreshed Mandate Limit”	has the meaning set out in sub-paragraph 21(c) of Appendix III to this circular
“related trust and company”	in relation to a Service Provider, (a) any trust solely for the benefit of the Service Provider and/or his/her family members, or (b) any company wholly-owned by the Service Provider and/or his/her family members
“Service Provider”	any Employee or officer of the Company or any Affiliate or any consultant, agent, advisor, business alliance, joint venture partner of or supplier of goods or services to the Group or any Affiliate or any employee of the business alliance, joint venture partner of or supplier of goods or services to the Group or any Affiliate
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Premium”	the share premium account of the Company
“Shareholder(s)”	holder(s) of the Share(s) in issue
“Special Dividend”	the proposed special dividend of 21 HK cents per Share as recommended by the Board
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the 2020 Share Option Scheme
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“HK\$” and “HK cents”	Hong Kong dollar and cents respectively, the lawful currency of Hong Kong
“%”	per cent





**CONVENIENCE RETAIL ASIA LIMITED**

**利亞零售有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00831)**

***Executive Directors:***

Richard YEUNG Lap Bun (*Chief Executive Officer*)

PAK Chi Kin (*Chief Operating Officer*)

***Non-executive Directors:***

Victor FUNG Kwok King (*Chairman*)

William FUNG Kwok Lun

Godfrey Ernest SCOTCHBROOK

Benedict CHANG Yew Teck

***Independent Non-executive Directors:***

Malcolm AU Man Chung

Anthony LO Kai Yiu

ZHANG Hongyi

Sarah Mary LIAO Sau Tung

***Registered Office:***

P.O. Box 10008

Willow House

Cricket Square

Grand Cayman KY1-1001

Cayman Islands

***Principal Place of Business:***

15th Floor

LiFung Centre

2 On Ping Street

Siu Lek Yuen, Shatin

New Territories, Hong Kong

25 March 2020

*To Shareholders*

Dear Sirs or Madams,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
FINAL DIVIDEND  
SPECIAL DIVIDEND OUT OF SHARE PREMIUM  
RE-ELECTION OF DIRECTORS  
TRANSFER OF MERGER RESERVE TO RETAINED EARNINGS  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
ADOPTION OF THE 2020 SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purposes of this circular are to give you notice of the AGM, and information on certain matters to be dealt with at the AGM, which include (i) grant of general mandates to issue and repurchase Shares; (ii) payment of final dividend; (iii) payment of Special Dividend out of Share Premium; (iv) re-election of Directors; (v) transfer of Merger Reserve to the Group's Retained Earnings; (vi) termination of the Existing Share Option Scheme; and (vii) adoption of the 2020 Share Option Scheme.

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## LETTER FROM THE CHAIRMAN

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 9 May 2019, general and unconditional mandates were given to the Directors to allot, issue and deal with additional Shares and to repurchase Shares. These mandates will lapse at the conclusion of the AGM.

The Directors believe that the renewal of such general mandates is in the interests of the Company and the Shareholders. Accordingly, the following ordinary resolutions will be proposed at the AGM to give Directors general and unconditional mandates to exercise powers of the Company to issue and to repurchase Shares:

- (i) an ordinary resolution (resolution 5) to give the Directors a general and unconditional mandate to allot, issue and deal with additional Shares not exceeding (a) 10% of the number of issued Shares as at the date of the AGM (the “Issue Mandate”) plus (b) (if the Directors are so authorised by a separate resolution (resolution 7) of the Shareholders) the number of Shares repurchased by the Company subsequent to the passing of such resolution by the Shareholders as described below (collectively the “Issue Mandates”); and
- (ii) an ordinary resolution (resolution 6) to give the Directors a general and unconditional mandate to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of the AGM (the “Repurchase Mandate”).

Based on 762,598,974 Shares in issue as at the Latest Practicable Date and assuming no Shares are issued or repurchased before the AGM, the Company would be allowed to issue a maximum of 76,259,897 Shares under the Issue Mandate and to repurchase a maximum of 76,259,897 Shares under the Repurchase Mandate.

Shareholders are invited to refer to the Notice set out on pages 37 to 42 of this circular for full text of the abovementioned ordinary resolutions in relation to the Issue Mandates and Repurchase Mandate. The explanatory statement required under rule 10.06(1)(b) of the Listing Rules containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate is set out in Appendix I of this circular.

### DIVIDENDS

#### Final Dividend

The Board has recommended a final dividend of 19 HK cents per Share, which will be distributed from the Company’s Retained Earnings, subject to Shareholders’ approval at the AGM.

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## LETTER FROM THE CHAIRMAN

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### **Special Dividend out of Share Premium**

The Board has also recommended the declaration and payment of Special Dividend of 21 HK cents per Share out of the Share Premium.

As at the Latest Practicable Date, the issued share capital of the Company comprised 762,598,974 Shares. Assuming no Shares are issued or repurchased before the AGM, the Special Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$160,146,000. Subject to the satisfaction of the conditions set out in the section headed “Conditions of the payment of Special Dividend out of Share Premium” below, the Special Dividend is intended to be paid out of the Share Premium pursuant to Articles 136 and 137 of the Company’s Articles of Association and in accordance with the laws of the Cayman Islands.

As at 31 December 2019, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the Share Premium was approximately HK\$200,756,000. Following payment of the Special Dividend, there will be a remaining balance of approximately HK\$40,610,000 standing to the credit of the Share Premium.

### ***Conditions of the payment of Special Dividend out of Share Premium***

The payment of Special Dividend out of the Share Premium is conditional upon the satisfaction of the following:

- (i) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of Special Dividend out of the Share Premium pursuant to Articles 136 and 137 of the Company’s Articles of Association; and
- (ii) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Special Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If such conditions are not satisfied, the Special Dividend will not be paid.

Subject to the satisfaction of the above conditions, it is expected that the Special Dividend together with the final dividend will be paid on or about 19 May 2020 to Shareholders whose names appear on the register of members of the Company on 8 May 2020, being the record date for determination of entitlements to the Special Dividend together with the final dividend.

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## LETTER FROM THE CHAIRMAN

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### ***Reasons for and effect of the payment of Special Dividend out of Share Premium***

In view of the Group's sizeable cash reserve, the Board considers that it is appropriate to distribute the Special Dividend in recognition of the long-term support of the Shareholders.

After taking into consideration the existing cash flow of the Group, the Board considers that the Company has sufficient cash resources to pay the Special Dividend and such payment of Special Dividend will not have any material adverse effect on the financial position of the Group.

The payment of Special Dividend out of the Share Premium does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

The Directors consider that the proposed declaration and payment of Special Dividend out of the Share Premium is in the interests of the Company and its Shareholders as a whole.

### **Record Dates and Closure of Register of Members**

*Hong Kong Time*  
2020

#### *For determining Shareholder's right to attend and vote at AGM:*

Latest time to lodge transfer documents with share registrar <sup>(i)</sup> ..	4:30 p.m., 23 April
Record Date <sup>(ii)</sup> .....	23 April

#### *For determining Shareholder's entitlement to the proposed dividends:*

Latest time to lodge transfer documents with share registrar <sup>(i)</sup> ....	4:30 p.m., 6 May
Closure of Register of Members <sup>(iii)</sup> .....	7 to 8 May (both days inclusive)
Record Date <sup>(ii)</sup> .....	8 May
Expected despatch date of dividend warrants .....	19 May

#### *Remarks:*

- (i) To be eligible to attend and vote at the AGM, and to be entitled to the dividends, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than the respective latest time mentioned above.*
- (ii) Shareholders who are eligible to attend and vote at the AGM are those whose names appear on the Register of Members of the Company as at the close of business on Thursday, 23 April 2020.*  
  
*Shareholders who are entitled to the dividends are those whose names appear on the Register of Members of the Company as at the close of business on Friday, 8 May 2020.*
- (iii) No transfer of Shares will be registered during the closure of Register of Members.*

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## LETTER FROM THE CHAIRMAN

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### RE-ELECTION OF DIRECTORS

#### Process for Nomination of Director

A Director Nomination Policy has been adopted by the Board in November 2018. The Board has the ultimate responsibility for the selection, appointment and re-appointment of Directors. The Nomination Committee is delegated with the duties to, inter alia, review the composition of the Board. When necessary, the Nomination Committee will identify, select and nominate suitable candidates for appointment as new Director(s), and make recommendations on the re-appointment of incumbent Directors in accordance with the said policy.

When recommending any candidate for directorship, the Nomination Committee will consider various factors including, but not limited to, the potential contribution that the candidate can bring to the Board in terms of qualifications, skills and experience, the candidate must have sufficient time available for the proper performance of Director's duties, the candidate should be of high ethical character with reputation for integrity, the candidate will contribute optimally to diversity, and so forth.

The search process for candidates can be undertaken by the Nomination Committee itself, through referral from various sources, or by the Company's advisors and professional search consultants. The Nomination Committee will then develop a short list of potential candidates for the Board to agree on a preferred candidate.

After the Board has made the appointment, the newly appointed Director is subject to election by shareholders at the first general meeting following the appointment.

Non-executive Directors were appointed for an initial term of three years and will continue in office thereafter subject to termination by notice in writing by either party to the other. In addition, pursuant to Article 87 of the Company's Articles of Association, at each annual general meeting one-third of the Directors shall retire from office by rotation and every Director shall be subject to retirement by rotation at least once every three years.

Accordingly, Dr William Fung Kwok Lun, Mr Malcolm Au Man Chung, Dr Sarah Mary Liao Sau Tung and Mr Richard Yeung Lap Bun will retire at the AGM. Dr William Fung Kwok Lun, Dr Sarah Mary Liao Sau Tung and Mr Richard Yeung Lap Bun, being eligible, will offer themselves for re-election.

Mr Malcolm Au Man Chung has decided not to stand for re-election and will retire from the Board with effect from the conclusion of the AGM due to the need to devote more time to his other personal commitments. Mr Malcolm Au Man Chung has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the Shareholders.

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## LETTER FROM THE CHAIRMAN

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### **Recommendation of the Nomination Committee**

On 10 March 2020, the Nomination Committee, having reviewed the Board's composition, recommended Dr William Fung Kwok Lun, Dr Sarah Mary Liao Sau Tung and Mr Richard Yeung Lap Bun to the Shareholders for re-election at the AGM.

The nominations were made in accordance with the Nomination Policy and the objective criteria (including without limitation, professional experience, skills and knowledge), and with due regard to the Board Diversity Policy of the Company.

The Nomination Committee has also taken into account the annual written confirmation provided by Dr Sarah Mary Liao Sau Tung to the Company regarding her independence in accordance with Rule 3.13 of the Listing Rules, her valuable contribution to the Board and commitment to her role. As an Independent Non-executive Director with extensive experience in social and environmental sustainability development, after assessment by the Nomination Committee, the Board is of the view that Dr Liao continues to be independent and provides valuable contributions, relevant insights and can contribute to the diversity of the Board in addition to her ability to fulfill her role as required and thus recommends her to be re-elected.

Details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II of this circular.

Under resolution 3 in the Notice, the re-election of Directors will be individually voted on by the Shareholders.

### **TRANSFER OF MERGER RESERVE TO RETAINED EARNINGS**

The Board intends to put forward to the Shareholders a proposal to transfer the entire amount standing to the credit of the Merger Reserve to the Group's Retained Earnings in accordance with the Memorandum and Articles of Association and the laws of the Cayman Islands.

As at 31 December 2019, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the Merger Reserve was approximately HK\$177,087,000. It is proposed that the entire amount standing to the credit of the Merger Reserve be transferred to the Group's Retained Earnings.

The transfer of Merger Reserve to the Group's Retained Earnings will increase the Group's Retained Earnings, thereby giving the Company greater flexibility in its dividend distributions to the Shareholders in future.

The Board considers that it is in the interest of the Company and the Shareholders as a whole to implement the transfer of Merger Reserve to the Group's Retained Earnings.

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## LETTER FROM THE CHAIRMAN

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Other than the expense, if any, to be incurred in relation to the transfer of Merger Reserve to the Group's Retained Earnings, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

The transfer of Merger Reserve to the Group's Retained Earnings is conditional upon, inter alia, the passing of an ordinary resolution by the Shareholders approving the transfer at the AGM. Subject to the satisfaction of the said condition, it is expected that the transfer of Merger Reserve to the Group's Retained Earnings shall take effect upon passing of the ordinary resolution by the Shareholders.

### **TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

On 10 May 2010, the Company adopted the Existing Share Option Scheme. The Existing Share Option Scheme would remain in force for a period of 10 years from the date of its adoption and will expire on 9 May 2020. In view of the forthcoming expiry of the Existing Share Option Scheme, the Board proposes to terminate the operation of the Existing Share Option Scheme and adopt the 2020 Share Option Scheme for the purpose of administrative convenience.

As at the Latest Practicable Date, 56,475,000 options had been granted under the Existing Share Option Scheme and all other schemes of the Company, of which 29,858,000 options remained outstanding. For the avoidance of doubt, no further options will be granted under the Existing Share Option Scheme after such termination but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect. All options granted prior to such termination of the Existing Share Option Scheme and not then exercised shall remain valid.

Under the terms of the Existing Share Option Scheme, the Company may by resolution in general meeting terminate the operation of the Existing Share Option Scheme. At the AGM, an ordinary resolution will be proposed that the Existing Share Option Scheme shall be terminated with effect from the conclusion of the AGM.

### **ADOPTION OF THE 2020 SHARE OPTION SCHEME**

Following the termination of the Existing Share Option Scheme, the Directors proposed to adopt the 2020 Share Option Scheme, the principal terms of which are set out in Appendix III of this circular. The 2020 Share Option Scheme has no trustee and it will be subject to the administration of the Directors.

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## LETTER FROM THE CHAIRMAN

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### Conditions of the Adoption of the 2020 Share Option Scheme

The 2020 Share Option Scheme will take effect on the date of its adoption at the AGM and is conditional upon:

- (i) the passing of the ordinary resolution by the Shareholders to approve and adopt the 2020 Share Option Scheme and to authorise the Board to grant Options pursuant to the 2020 Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under the 2020 Share Option Scheme.

So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting for the ordinary resolution to approve the adoption of the 2020 Share Option Scheme.

### Listing and Dealings

The aggregate number of Shares which may be issued upon exercise of all Options to be granted under the 2020 Share Option Scheme and any new share option scheme of the Company which may be adopted hereinafter must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of adoption of the 2020 Share Option Scheme or any new share option scheme (as the case may be). As at the Latest Practicable Date, the number of the issued Shares is 762,598,974 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the date of AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2020 Share Option Scheme would be 76,259,897 Shares.

### Reasons for the 2020 Share Option Scheme

The Directors believe that attracting and motivating high quality personnel is a key in the success and growth of the Company. The Directors believe that the 2020 Share Option Scheme could provide Qualifying Participants with the opportunity of participating in the growth of the Company by acquiring shares in the Company and could, in turn, assist in the attraction and retention of Qualifying Participants who have made contribution to the success of the Company. The purpose of the 2020 Share Option Scheme is to provide incentives to Qualifying Participants to contribute further to the Company. The rules of the 2020 Share Option Scheme provide that the Board is empowered with the authority to determine the terms and conditions of any Option based in each case on relevant factors as the Board considers appropriate. The Board believes that the authority given to the Board under the 2020 Share Option Scheme to specify any minimum holding period and/or



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## LETTER FROM THE CHAIRMAN

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performance targets as conditions in any Option granted and the requirement for a minimum subscription price as well as the selection criteria prescribed by the rules of the 2020 Share Option Scheme will serve to protect the value of the Company as well as to achieve the purpose of the 2020 Share Option Scheme.

### **Value of the Options**

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the 2020 Share Option 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 not be meaningful to Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the exercise period, any lock-up period, any performance targets set and other relevant variables such as the Options may become lapsed or cancelled prior to the normal expiry of their respective Option Periods on the happening of certain events as specified in the 2020 Share Option Scheme which are not predictable or controllable by the Directors.

### **Documents Available for Inspection**

A copy of the 2020 Share Option Scheme will be available for inspection at the place of business of the Company at 15th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong from the date of this circular up to and including the date of the AGM and will be available for inspection at the AGM.

In accordance with the requirements of the Listing Rules, the Company will publish an announcement on the websites of the Company and the Stock Exchange on the outcome of the AGM in relation to the adoption of the 2020 Share Option Scheme following the AGM.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any Options that may be granted under the 2020 Share Option Scheme. Implementation of the 2020 Share Option Scheme is subject to such approval being granted.

### **NOTICE OF ANNUAL GENERAL MEETING**

The Notice is set out on pages 37 to 42 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote instead of him/her. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at Level 54,

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## LETTER FROM THE CHAIRMAN

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Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

### VOTING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. Chairman of the AGM will therefore demand a poll for every resolution put to the vote of the AGM. Pursuant to Article 66 of the Company's Articles of Association, a poll can be demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (iv) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (v) if required by the rules of the designated stock exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at such meeting.

The results of the poll will be published on the websites of the Company at [www.cr-asia.com](http://www.cr-asia.com) and HKExnews at [www.hkexnews.hk](http://www.hkexnews.hk) following the AGM.

### RECOMMENDATION

The Directors believe that the proposals mentioned in this circular, including the proposals for the grant of the Issue Mandates and the Repurchase Mandate, the dividends, re-election of Directors, the transfer of Merger Reserve to the Group's Retained Earnings, termination of the Existing Share Option Scheme, and adoption of the 2020 Share Option Scheme, are in the interests of the Company and the Shareholders. Accordingly, the Board recommends you to vote in favour of all these resolutions to be proposed at the AGM.

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## LETTER FROM THE CHAIRMAN

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### 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 Group. The Directors, having made all reasonable enquiries, confirm that to best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and are not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully  
**Victor FUNG Kwok King**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders for their consideration of the Repurchase Mandate.

**SHARE CAPITAL**

As at the Latest Practicable Date, the total number of issued Shares was 762,598,974 Shares. Subject to the passing of resolution 6 approving the Repurchase Mandate as set out in the Notice on pages 37 to 42 of this circular and on the basis that no Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 76,259,897 Shares until (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 Memorandum and Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

**REASONS FOR REPURCHASE**

A repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such purchase will be to the benefit of the Company and the Shareholders.

**FUNDING OF REPURCHASES**

The Directors propose that repurchases of Shares under the Repurchase Mandate will be financed from the Company's distributable profits or proceeds of a new issue of Shares made for such purpose. In repurchasing Shares, the Company may only apply funds legally available for such purposes in accordance with its Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

It is envisaged that a repurchase of Shares pursuant to the Repurchase Mandate (including repurchase of the maximum number of Shares under such mandate effected in full at any time during the period of the mandate) may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2019 but the Directors do not intend to make repurchases pursuant to the Repurchase Mandate to such an extent.

**DISCLOSURE OF INTERESTS**

None of the Directors or (to the best of the knowledge of the Directors having made all reasonable enquiries) any close associates of the Directors have a present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No core connected persons of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

### DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

### SHARE PRICE

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

	Share prices (per share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2019</b>		
March	4.04	3.52
April	4.06	3.91
May	4.02	3.65
June	3.85	3.69
July	4.10	3.70
August	4.00	3.64
September	3.76	3.57
October	3.99	3.57
November	3.85	3.60
December	3.73	3.40
<b>2020</b>		
January	3.67	3.38
February	3.75	3.45
March (up to the Latest Practicable Date)	3.92	3.50

**TAKEOVERS CODE**

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Fung Retailing Limited is directly interested in approximately 41% of the Company's issued Shares and is one of the substantial Shareholders (as defined in Rule 1.01 of the Listing Rules). Based on the said interests of Fung Retailing Limited in the issued Shares as at the Latest Practicable Date, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the resolution to be proposed at the AGM, the interests of Fung Retailing Limited in the issued Shares will be increased from approximately 41% to approximately 45% and they would be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of such increase. The Directors have no intention to exercise the Repurchase Mandate to such extent that would give rise to an obligation on the part of Fung Retailing Limited to make a mandatory general offer under Rule 26 of the Takeovers Code.

**SHARE REPURCHASE MADE BY THE COMPANY**

No purchases have been made by the Company of its Shares (on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

The following are the details of Dr William Fung Kwok Lun, Dr Sarah Mary Liao Sau Tung and Mr Richard Yeung Lap Bun, all of whom will retire at the AGM in accordance with Article 87 of the Company's Articles of Association and being eligible, offer themselves for re-election.

### **William FUNG Kwok Lun**

Dr Fung, aged 71, brother of Dr Victor Fung Kwok King, has been a Non-executive Director of the Company since 3 January 2001. Dr Fung is Group Chairman of Li & Fung Limited and Chairman and non-executive director of Global Brands Group Holding Limited, both within the Fung Group. He is also a director of the substantial Shareholders, King Lun Holdings Limited, Fung Holdings (1937) Limited and Fung Retailing Limited. Dr Fung held key positions at major trade and business organisations. He is the past Chairman of the Hong Kong Exporters' Association (1989-1991), the Hong Kong Committee for the Pacific Economic Cooperation (1993-2002) and the Hong Kong General Chamber of Commerce (1994-1996). He was a Hong Kong Special Administrative Region delegate to the Chinese People's Political Consultative Conference (1998-2003). He has been awarded the Silver Bauhinia Star by the Hong Kong Government in 2008. Dr Fung graduated from Princeton University with a Bachelor of Science degree in Engineering and holds a Master's degree in Business Administration from the Harvard Graduate School of Business. He was awarded the degrees of Doctor of Business Administration, *honoris causa* by The Hong Kong University of Science and Technology, by The Hong Kong Polytechnic University and by Hong Kong Baptist University, and a degree of Doctor of Letters, *honoris causa* by Wawasan Open University of Malaysia. Currently, Dr Fung is an independent non-executive director of VTech Holdings Limited, Sun Hung Kai Properties Limited and The Hongkong and Shanghai Hotels, Limited. Formerly, he was an independent non-executive director of Shui On Land Limited (May 2006 – May 2019) and Singapore Airlines Limited (December 2009 – July 2017), and a non-executive director of Trinity Limited (December 2006 – April 2018).

Save as disclosed above, Dr Fung does not hold any other position with the Group nor hold any directorships in any other listed public companies in Hong Kong or overseas in the last three years and has no other relationship with any Directors, senior management or substantial or controlling Shareholders.

Dr Fung has not entered into any service contract with the Company nor any of its subsidiaries. Each Director is entitled to a director's fee in such an amount as determined by the Board and approved by the Shareholders from time to time with reference to the range of remuneration of other companies listed on the Stock Exchange with similar business nature and market capitalisation, pro rata to the period during which he/she has held office. For the year ended 31 December 2019, each Non-executive Director was paid a director's fee of HK\$200,000 and an additional fee of HK\$50,000 and HK\$70,000 for serving as a member of each of (a) Remuneration Committee or Nomination Committee and (b) Audit Committee respectively. Chairman of each of (a) Remuneration Committee

or Nomination Committee and (b) Audit Committee was also paid an additional fee of HK\$60,000 and HK\$70,000 respectively.

As at the Latest Practicable Date, Dr Fung is deemed to have interests in 311,792,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, nor are there any other matters which need to be brought to the attention of the Shareholders.

### **Sarah Mary LIAO Sau Tung**

Dr Liao, aged 68, has been appointed as Independent Non-executive Director of the Company with effect from 1 April 2014. Dr Liao retired as the Master of New College of The University of Hong Kong in November 2018 and was Senior Advisor to the Vice-Chancellor on Sustainability (2008–2014). She was a member of the Chinese Council for International Cooperation on Environment and Development (2009–2016) and was a member of the Board of Trustees of the Environmental Defense Fund (2009–2017) and is now on their China Advisory Board. Dr Liao was formerly the Secretary for the Environment, Transport and Works of the Hong Kong Government (2002–2007). Prior to her Government appointment, Dr Liao was in the consultancy business and amongst her many projects she was engaged as the environmental consultant to the Beijing's Olympic Bid and Organising Committee (2000–2008). Formerly, Dr Liao was a director of Westport Innovations Inc. (July 2008 – April 2012) which is listed on the Toronto Stock Exchange and NASDAQ. Dr Liao is a Fellow of the Royal Society of Chemistry and the Hong Kong Institute of Engineers. She was awarded the Member of the British Empire (MBE); and Justice of Peace and the Gold Bauhinia Star by the Hong Kong Government.

Save as disclosed above, Dr Liao does not hold any other position with the Group nor hold any directorships in any other listed public companies in Hong Kong or overseas in the last three years and has no other relationship with any Directors, senior management or substantial or controlling Shareholders.

Dr Liao has not entered into any service contract with the Company nor any of its subsidiaries. Each Director is entitled to a director's fee in such an amount as determined by the Board and approved by the Shareholders from time to time with reference to the range of remuneration of other companies listed on the Stock Exchange with similar business nature and market capitalisation, pro rata to the period during which he/she has held office. For the year ended 31 December 2019, each Independent Non-executive Director was paid a director's fee of HK\$200,000 and an additional fee HK\$50,000 and HK\$70,000 for serving as a member of each of (a) Remuneration Committee or Nomination Committee and (b) Audit Committee respectively. Chairman of each of (a) Remuneration Committee or Nomination Committee and (b) Audit Committee was also paid an additional fee of HK\$60,000 and HK\$70,000 respectively.



As at the Latest Practicable Date, Dr Liao does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, nor are there any other matters which needs to be brought to the attention of the Shareholders.

### **Richard YEUNG Lap Bun**

Mr Yeung, aged 63, has over 30 years of experience in general management, food distribution and supply chain management and has been a Director of the Company since 1 November 2000. He is currently the Chief Executive Officer of the Group responsible for overseeing the Group's operations, marketing, logistics and supply chain management, and is actively involved in new business development and repositioning of the Group's businesses to the O2O business models. Prior to joining the Group in October 1998, he spent about ten years in senior positions at HAVI Food Services Group, managing the supply chain of McDonald's Restaurants in various countries in Asia. Mr Yeung graduated from the University of Hawaii with a Bachelor of Business Administration degree. Mr Yeung also holds a Master's degree in Business Administration from the California State University of Los Angeles and is a Certified Public Accountant of the American Institute of Certified Public Accountants. He is also a director of Fung Retailing Limited, a substantial Shareholder.

Apart from serving as director of certain subsidiaries of the Group, Mr Yeung does not hold any other position with the Group and save as disclosed above, does not hold any directorships in any other listed public companies in Hong Kong or overseas in the last three years and has no other relationship with any Directors, senior management or substantial or controlling Shareholders.

Mr Yeung has entered into a service contract with the Company for an initial term of three years commencing on 1 January 2001 and will continue in office thereafter subject at all times (including the initial three years period) to termination by not less than three months' prior notice in writing by either party to the other. Pursuant to the term of his service, Mr Yeung is entitled to a basic salary and other benefits in kind in the total sum of about HK\$4.4 million per annum. He will also be paid an incentive bonus, the computation of which is based on the Company's consolidated profit before tax and may, at the discretion of the Board, be granted share options pursuant to the share option scheme as part of the remuneration package. The remuneration of Mr Yeung is determined on the basis of his relevant experience, responsibility and contribution to the business development of the Group.

Each Director is also entitled to a director's fee in such amount as determined by the Board and approved by the Shareholders from time to time with reference to the range of remuneration of other companies listed on the Stock Exchange with similar business nature and market capitalisation, pro rata to the period during which he/she has held office. For the year ended 31 December 2019, each Executive Director was paid a director's fee of HK\$200,000.

As at the Latest Practicable Date, Mr Yeung is interested in 22,396,000 Shares and share options with the right to subscribe for 4,000,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, nor are there any other matters which need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the 2020 Share Option Scheme proposed to be approved and adopted at the AGM. Reference to the paragraph is a reference to the paragraph of this appendix.

**(1) PURPOSE**

The purpose of the 2020 Share Option Scheme is to attract and retain the best quality personnel for the development of the Company's businesses, to provide additional incentives or rewards to selected Qualifying Participants for their contribution to the creation of the Company's shareholders value and to promote the long term financial success of the Group by aligning the interest of Grantees to Shareholders.

**(2) WHO MAY JOIN**

On and subject to the terms of the 2020 Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an Option to any Qualifying Participant as the Board may in its absolute discretion select.

**(3) ADMINISTRATION**

The 2020 Share Option Scheme shall be subject to the administration of the Board whose decision shall (save as otherwise provided in the 2020 Share Option Scheme) be final and binding. Subject to the provisions of the Listing Rules and applicable law and other regulations from time to time in force, the Board's administrative powers include the authority, in its discretion:

- (a) to select Qualifying Participant to whom Options may be granted under the 2020 Share Option Scheme;
- (b) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of Options;
- (c) to determine the number of Shares to be covered by each Option granted under the 2020 Share Option Scheme;
- (d) to approve Option Agreements;
- (e) to determine the terms and conditions, not inconsistent with the terms of the 2020 Share Option 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:
  - (i) the Subscription Price;
  - (ii) the Option Period;

- (iii) the minimum period, if any, for which an Option must be held before it vests or becomes exercisable in whole or in part;
- (iv) the performance targets, if any, that must be achieved before the Option can be exercised;
- (v) the amount, if any, payable on application or acceptance of the Option and the period within which payments must be made; and
- (vi) the period, if any, during which Shares allotted and issued upon exercise of the Option shall be subject to restrictions on dealings, and the terms of such restrictions,

without prejudice to the generality of the foregoing and subject to paragraph 7 below, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for certain periods during the Option Period;

- (f) to construe and interpret the terms of the 2020 Share Option Scheme and Options granted pursuant to the 2020 Share Option Scheme;
- (g) subject to paragraph 24 below, to prescribe, amend and rescind rules and regulations relating to the 2020 Share Option 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 Participant;
- (h) subject to paragraphs 21, 23 and 24 below, 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 2020 Share Option Scheme); and
- (i) make such other decisions or determinations as it shall deem appropriate in relation to the offer of Options, vesting, exercise and/or the administration of the 2020 Share Option Scheme provided that the same are not inconsistent with the provisions of the 2020 Share Option Scheme and the Listing Rules.

#### **(4) GRANT OF OPTIONS**

On and subject to the terms of the 2020 Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of Options to Directors, chief executives and substantial Shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years commencing on the Adoption Date (the timing of the

grant being subject to the requirements of the Listing Rules and the law) to make an offer for the grant of an Option to any Qualifying Participant as the Board may in its absolute discretion select.

**(5) RESTRICTION ON TIME OF GRANT OF OPTIONS**

The Company may not grant any Options after Inside Information (as defined in the Listing Rules) has come to the Company's knowledge, until such information has ceased to be Inside Information. In particular, the Company may not make any offer of Options during the period of (a) 60 days immediately preceding the date of board meeting for approving the annual results up to the publication date of the results; and (b) 30 days or one month, whichever is longer, immediately preceding the date of board meeting for approving the quarterly results (if any) and half-year results up to the publication date of the results. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

**(6) ACCEPTANCE AND PAYMENT ON ACCEPTANCE OF OPTION OFFER**

An offer shall remain open for acceptance by the Qualifying Participant concerned for a period of 28 days from the date of the offer (or such longer period as the Board may specify in writing).

HK\$1.00 is payable by the Grantee to the Company on acceptance of the offer of the Option. If such remittance is not made upon acceptance, acceptance of an offer shall create a promise by the relevant Grantee to pay to the Company HK\$1.00 on demand.

**(7) 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 (and shall be stated in the letter containing the offer of the grant of the Option) but the Subscription Price shall not be less than whichever is the higher of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Commencement Date, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Commencement Date on which there were dealings in Shares on the Stock Exchange; and (c) the nominal value of a Share.

**(8) OPTION PERIOD**

The period within which the Shares must be taken up under an Option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the Commencement Date.

**(9) RIGHTS ARE PERSONAL TO GRANTEE**

An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest 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 Grantee is a related trust and company of a Service Provider, the Option shall be deemed to have been transferred where the Grantee were to cease to be a related trust and company of the Service Provider other than by reason of the death or permanent physical or mental disability of the Service Provider.

**(10) RIGHTS ATTACHING TO SHARES ISSUED**

- (a) Subject to sub-paragraph 10(b) below, the Shares to be issued upon the exercise of an Option shall be subject to all the provisions of the Articles of Association of the Company for the time being in force and shall rank pari passu in all respects with the fully paid Shares in issue on the Issue Date and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Issue Date.
- (b) Any Shares issued upon the exercise of an Option shall not be entitled to 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 Issue Date.
- (c) A Grantee shall have no rights (including any right to dividend or other distribution) in respect of Shares subject to an Option until the Shares are allotted and issued to him/her under the terms of the 2020 Share Option Scheme.

**(11) RIGHTS ON RETIREMENT, DEATH OR PERMANENT PHYSICAL OR MENTAL DISABILITY**

If a Grantee (or, in the case of a Grantee which is a related trust and company of a Service Provider, the relevant Service Provider) ceases to be a Qualifying Participant attributable to the fact that he/she dies or becomes permanently physically or mentally disabled or in the case of an Grantee being an Employee (or, in the case of a Grantee which is a related trust and company of a Service Provider, the relevant Service Provider), retires, unless otherwise provided in the Option Agreement, the Option (to the extent that is exercisable and not already exercised) may be exercised within such period of time as is specified in the Option Agreement (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 Grantee's or Qualifying Participant's or Employee's (as the case may be) retirement, death or permanent physical or mental disability. The Option may be exercised within that period by the personal representatives of the Grantee.

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

#### **(12) TERMINATION FOR MISCONDUCT**

If a Grantee (or, in the event of a Grantee which is a related trust and company of a Service Provider, the relevant Service Provider) ceases to be a Qualifying Participant for Misconduct, the Option shall immediately lapse.

A resolution of the Board to the effect that the relevant Grantee or Qualifying Participant has or has not ceased to be a Qualifying Participant for Misconduct shall be conclusive.

#### **(13) TERMINATION FOR BANKRUPTCY CAUSE**

If a Grantee (or, in the event of a Grantee which is a related trust and company of a Service Provider, the relevant Service Provider) ceases to be a Qualifying Participant for Bankruptcy Cause, the Option shall immediately lapse.

A resolution of the Board to the effect that the relevant Grantee or Qualifying Participant has or has not ceased to be a Qualifying Participant for Bankruptcy Cause shall be conclusive.

#### **(14) RIGHTS ON TERMINATION DUE TO REDUNDANCY**

If a Grantee being an Employee ceases to be an Employee due to Redundancy, unless otherwise provided in the Option Agreement, the Option may be exercised within 3 months of such cessation (or such longer period as the Board shall decide, but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

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

A resolution of the Board to the effect that the relevant Grantee or Employee has or has not ceased to be an Employee due to Redundancy shall be conclusive.

**(15) RIGHTS ON TERMINATION OTHER THAN FOR RETIREMENT/DEATH/  
PERMANENT DISABILITY, MISCONDUCT, BANKRUPTCY CAUSE OR  
REDUNDANCY**

If a Grantee (or, in the case of a Grantee which is a related trust and company of a Service Provider, the relevant Service Provider) ceases to be a Qualifying Participant other than in any of the circumstances described in paragraphs 11, 12, 13 or 14 then, unless otherwise provided in the Option Agreement, a Grantee may exercise his/her Option (to the extent that is exercisable and not already exercised) within 3 months of such cessation (or such longer period as the Board shall decide, but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

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

**(16) 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 prior to the commencement or expiry of the Option Period of an Option, the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time within 21 days (or such longer time as the Board shall decide) after the date on which the offer becomes or is declared unconditional.

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

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

If a compromise or arrangement between the Company and its members or creditors is proposed prior to the commencement or expiry of the Option Period of an Option, the Company shall give notice to the Grantee 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 Grantee (or his/her 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/her Options (to the extent not already exercised) 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 2020 Share Option Scheme. The Company may require the Grantee 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 Grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

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

#### **(18) 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 prior to the commencement or expiry of the Option Period of an Option, 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 Grantees (together with a notice of the existence of the provisions of this paragraph 18) and thereupon, each Grantee (or his/her personal representatives) shall be entitled to exercise all or any of his/her Options (to the extent not already exercised) 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 Grantee credited as fully paid.

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

#### **(19) LAPSE OF OPTION**

Subject to the discretion of the Board to extend the Option Period as referred to in paragraphs 3, 11, 14, 15, 16 and 24, 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 and not be exercisable (to the extent that is exercisable and not already exercised) on the earliest of (a) the expiry of the Option Period; (b) the expiry of any of the periods referred to in paragraphs 11, 12, 13, 14, 15, 16, 17 and 18; (c) the date on which the Board certifies that for the reason of a breach of paragraph 9; and (d) the date on which the Grantee (i) becomes an officer, director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning more than a 5 per cent. interest in, any Competitor; or (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor.

The Board shall have the right to determine whether circumstances described under (d) above have occurred, and such determination by the Board shall be final and conclusive.

**(20) CANCELLATION OF OPTION**

Options granted but not exercised or lapsed in accordance with the terms of the 2020 Share Option Scheme may be cancelled by the Company with the consent of the relevant Grantee. For the avoidance of doubt, the consent of the relevant Grantee is not required where an Option lapses in accordance with paragraph 19.

Where the Company cancels Options and offers to issue new ones to the same Grantee, the issue of such new Options may only be made under the 2020 Share Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraph 21 below.

**(21) MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE 2020 SHARE OPTION SCHEME****(a) 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 2020 Share Option Scheme and any other scheme(s) (including the Existing Share Option Scheme) 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.

**(b) Mandate Limit**

In addition to the limit set out in sub-paragraph (a) above and prior to the approval of a Refreshed Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted under the 2020 Share Option Scheme and any other scheme(s) of the Company must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date being 76,259,897 Shares (the "Initial Mandate Limit"). Options lapsed in accordance with the terms of the 2020 Share Option Scheme or any other scheme(s) of the Company will not be counted for the purpose of calculating the 10% limit.

**(c) Refreshing of Mandate Limit**

The Company may by ordinary resolution of the Shareholders refresh the Mandate Limit provided that the Company shall issue a circular containing such information as required by the Listing Rules to the 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 (the "Refreshed Mandate Limit") must not exceed 10% of the

Shares in issue as at the date of approval of the Refreshed Mandate Limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with any of the schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

**(d) Grant to specifically identified Qualifying Participant**

Specifically identified Qualifying Participant 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 Qualifying Participant specifically identified by the Company and a circular containing such information as required by the Listing Rules is issued to the Shareholders before such approval is sought. The date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such grant should be taken as the Commencement Date for such grants.

**(e) Limit for each Qualifying Participant**

Subject to any contrary provision in the 2020 Share Option Scheme, the number of Options that can be granted to any Qualifying Participant during any 12-month period shall be subject to the restriction that the total number of Shares issued and to be issued upon exercise of Options (whether exercised or outstanding) granted in such 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to a Qualifying Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) under the 2020 Share Option Scheme and any other scheme(s) (including the Existing Share Option Scheme) of the Company in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by the Shareholders in general meeting with the relevant Qualifying Participant and his/her close associates (or his/her associates if the Qualifying Participant is a connected person) abstaining from voting. Prior to seeking such approval, the Company shall issue a circular containing the identity of the Qualifying Participants, the numbers and terms of the Options to be granted (and any Options previously granted to such Qualifying Participant) and detailed information required under the Listing Rules to the Shareholders. The number and terms (including the Subscription Price) of the Options to be granted to such Qualifying Participant must be fixed before the Shareholders' approval and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the Subscription Price of the Options.

**(22) GRANT OF OPTIONS TO CONNECTED PERSONS**

In addition to the approval requirements under sub-paragraphs 21(d) and 21(e) above, but only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a Qualifying Participant who is 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 who is or whose associate is the Qualifying Participant to whom the Option is proposed to be granted).

Insofar and for so long as the Listing Rules so require, no Option may be granted to any substantial Shareholder 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 2020 Share Option Scheme and any other scheme(s) (including the Existing Share Option Scheme) of the Company in the 12-month period up to and including the date of the offer (which is made subject to such approvals set out in this paragraph) in respect of such further grant (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of the offer (which is made subject to such approvals set out in this paragraph) in respect of such further grant, in excess of HK\$5 million, unless such further grant is approved by the Shareholders in general meeting. Prior to seeking such approval, the Company shall issue a circular containing such information as required by the Listing Rules to the Shareholders. At such general meeting, the grant of Options to the substantial Shareholder 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 with the relevant substantial Shareholder or independent non-executive Director, any of their respective associates and all core connected persons of the Company abstaining from voting, except that any connected person may vote against such resolution provided that he/she has informed the Company of his/her intention to do so and such intention has been stated in the relevant circular to Shareholders. The date of the offer (which is made subject to such approvals set out in this paragraph) in respect of such further grant should be taken as the Commencement Date for such grants.

Any change in the terms of an Option granted to any independent non-executive Director or substantial Shareholder, or any of their respective associates, shall be subject to the prior approval of the Shareholders in general meeting by way of poll and all relevant connected persons of the Company shall abstain from voting in favour of the resolution relating to the change in the terms of such Options at such general meeting. The Company shall send a circular to the Shareholders in accordance with the requirements of the Listing Rules.

**(23) EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE**

In the event of any alteration in the capital structure of the Company whilst any Option may remain exercisable, whether by way of capitalisation of profits or reserves, rights issue or other general offer of securities made by the Company to holders of its securities, consolidation, subdivision, reduction or similar reorganisation of the share capital of the Company, such corresponding alterations (if any) shall be made to:

- (a) the number 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 referred to in paragraph 21 above,

as the Auditors or an independent financial adviser (as the case may be) shall certify in writing to the Board to be in their opinion fair and reasonable (except in the case of a capitalisation 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 a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as 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; (iii) no such alterations shall be made the effect of which would be to increase the proportion of the issued Shares for which any Grantee is entitled to subscribe pursuant to the Options held by him/her; and (iv) any such adjustments shall be made in compliance with the relevant provisions in the Listing Rules governing share option and/or share schemes and all such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

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

**(24) ALTERATION TO THE 2020 SHARE OPTION SCHEME**

Provided that such alterations comply with the requirements of the applicable law and the Listing Rules, the 2020 Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the 2020 Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees or proposed Grantees 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 Grantees as would be

required of the Shareholders under the Articles of Association of the Company for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the 2020 Share Option 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 2020 Share Option Scheme. The Board's determination as to whether any proposed alteration to the terms and conditions of the 2020 Share Option Scheme is material shall be conclusive.

The amended terms of the 2020 Share Option Scheme shall comply with the relevant requirements of the Listing Rules governing share option and/or share schemes from time to time. Any change to the authority of the Board to alter the terms of the 2020 Share Option Scheme shall be approved by the Shareholders. Subject to the Listing Rules and the terms of the 2020 Share Option 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.

#### **(25) TERMINATION OF THE 2020 SHARE OPTION SCHEME**

The Company by resolution in general meeting may at any time terminate the operation of the 2020 Share Option Scheme and in such event no further Options will be offered after the 2020 Share Option Scheme is terminated but in all other respects the provisions of the 2020 Share Option Scheme shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid.

#### **(26) EFFECT OF THE 2020 SHARE OPTION SCHEME**

This Scheme shall take effect subject to and conditional upon (a) the passing of the resolution by the Shareholders to approve and adopt the 2020 Share Option Scheme and to authorise the Board to grant Options pursuant to the 2020 Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under the 2020 Share Option Scheme.



## CONVENIENCE RETAIL ASIA LIMITED

### 利亞零售有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00831)**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Convenience Retail Asia Limited (the "Company") will be held at 7th Floor, Hong Kong Spinners Industrial Building, Phases I & II, 800 Cheung Sha Wan Road, Kowloon, Hong Kong on Wednesday, 29 April 2020 at 4:00 p.m. (or, in the event that a black rainstorm warning signal or tropical cyclone warning signal no. 8 or above or post-super typhoon extreme conditions is in force in Hong Kong at 1:00 p.m. on that day, at the same place on Monday, 4 May 2020 at 4:00 p.m.) for the following purposes:

1. To receive and adopt the Audited Consolidated Financial Statements and the Reports of the Directors and the Auditor of the Company and its subsidiaries for the year ended 31 December 2019.
2. To declare the following dividends for the year ended 31 December 2019:
  - (a) a final dividend; and
  - (b) a special dividend out of the share premium account of the Company.
3. To re-elect the following Directors:
  - (a) Dr William FUNG Kwok Lun;
  - (b) Dr Sarah Mary LIAO Sau Tung; and
  - (c) Mr Richard YEUNG Lap Bun.
4. To re-appoint PricewaterhouseCoopers as Auditor and authorise the Board to fix their remuneration.

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As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

5. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “Shares”) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of options under any share option schemes adopted by the Company or similar arrangement for the time being adopted by the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which are convertible into Shares, shall not exceed 10% of the number of issued Shares on the date of the passing of this Resolution, and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (d) for the purpose of this Resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company, or any applicable laws of the Cayman Islands, to be held; and



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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares, warrants, options or other securities which are attached with rights to subscribe for Shares, open for a period fixed by the Directors of the Company to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors of the Company 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 applicable to the Company).”

6. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange and any such other stock exchange from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the number of Shares which the Directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the number of issued Shares on the date of the passing of this Resolution, and the said approval 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,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company, or any applicable laws of the Cayman Islands, to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

7. **“THAT** conditional upon Resolutions 5 and 6 set out above being duly passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with Shares pursuant to Resolution 5 be and is hereby extended by the addition to the number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to such general mandate of the number of Shares repurchased by the Company under the authority granted pursuant to Resolution 6, provided that such a number shall not exceed 10% of the number of issued Shares as at the date of the passing of this Resolution.”
8. **“THAT** the entire amount as at the date of this resolution standing to the credit of the merger reserve account be transferred to the retained earnings account in the consolidated financial statements of the Company.”
9. **“THAT** conditional on the Listing Committee of the Stock Exchange granting approval the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any options granted under the 2020 share option scheme (a copy of which is produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) (the “2020 Share Option Scheme”), the operation of the existing share option scheme adopted by the Company on 10 May 2010 be and is hereby terminated, and the 2020 Share Option Scheme be and is hereby approved and adopted by the Company, and the Directors of the Company be and are hereby authorised to grant options to subscribe for Shares (in aggregate not exceeding 10% of the Shares in issue as at the adoption date of the 2020 Share Option Scheme) pursuant to the 2020 Share Option Scheme and to allot, issue and deal with Shares pursuant to the exercise of any option

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granted under the 2020 Share Option Scheme and to take all such steps as they may consider necessary or expedient to implement the 2020 Share Option Scheme.”

By order of the Board  
**Maria LI Sau Ping**  
Company Secretary

Hong Kong, 25 March 2020

*Notes:*

1. A shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority shall be deposited with share registrar<sup>(i)</sup> not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. This form of proxy is published on the websites of the Company at [www.cr-asia.com](http://www.cr-asia.com) and HKExnews at [www.hkexnews.hk](http://www.hkexnews.hk).
3. Record Dates and Closure of Register of Members:

Hong Kong Time  
2020

*For determining shareholder's right to attend and vote at Annual General Meeting:*

Latest time to lodge transfer documents with share registrar <sup>(i)</sup>	4:30 p.m., 23 April
Record Date <sup>(ii)</sup>	23 April

*For determining shareholder's entitlement to the proposed dividends:*

Latest time to lodge transfer documents with share registrar <sup>(i)</sup>	4:30 p.m., 6 May
Closure of Register of Members <sup>(iii)</sup>	7 to 8 May (both days inclusive)
Record Date <sup>(ii)</sup>	8 May
Expected despatch date of dividend warrants	19 May

*Remarks:*

- (i) *To be eligible to attend and vote at the Annual General Meeting, and to be entitled to the dividends, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than the respective latest time mentioned above.*
- (ii) *Shareholders who are eligible to attend and vote at the Annual General Meeting are those whose names appear on the Register of Members of the Company as at the close of business on Thursday, 23 April 2020.*  
  
*Shareholders who are entitled to the dividends are those whose names appear on the Register of Members of the Company as at the close of business on Friday, 8 May 2020.*
- (iii) *No transfer of Shares will be registered during the closure of Register of Members.*

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## NOTICE OF ANNUAL GENERAL MEETING

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4. Arrangements for coronavirus disease:

Taking into account of the recent development of the epidemic caused by the coronavirus disease COVID-19, the Company will implement the following prevention and control measures at the Annual General Meeting against the epidemic to protect the shareholders from the risk of infection:

- (i) Compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.
- (ii) Every shareholder or proxy is required to wear surgical face mask throughout the meeting.
- (iii) No refreshment will be served.

Furthermore, the Company wishes to advise the shareholders, particularly shareholders who are subject to quarantine in relation to the coronavirus disease COVID-19, that they may appoint any person or the chairman of the Annual General Meeting as a proxy to vote on the resolutions, instead of attending the Annual General Meeting in person.

5. Bad weather arrangements:

The Annual General Meeting will be held on Wednesday, 29 April 2020 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. However, if a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above or post-super typhoon extreme conditions is in force in Hong Kong at 1:00 p.m. on Wednesday, 29 April 2020, the Annual General Meeting will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same place on Monday, 4 May 2020 at 4:00 p.m. instead.