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## IMPORTANT

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

**If you have sold or transferred** all your shares in King Fook Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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king fook holdings limited  
景福集團有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 280)**

## PROPOSAL RELATING TO GENERAL MANDATE TO REPURCHASE SHARES

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The notice convening the extraordinary general meeting of the Company to be held at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Kowloon, Hong Kong on Friday, 11 September 2020 at 12:15 p.m. (or so soon thereafter as the annual general meeting of the Company convened for the same day at 12:00 noon shall have concluded or adjourned) is set out on pages 6 to 8 of this circular.

14 August 2020

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LETTER FROM THE BOARD

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king fook holdings limited  
景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

*Directors:*

Tang Yat Sun, Richard  
Fung Yuk Bun, Patrick  
Yeung Ka Shing  
Wong Wei Ping, Martin\*  
Cheng Kar Shing, Peter\*\*  
Ho Hau Hay, Hamilton\*\*  
Sin Nga Yan, Benedict\*\*  
Cheng Kwok Shing, Anthony\*\*

*Registered office:*

9th Floor  
King Fook Building  
30–32 Des Voeux Road Central  
Hong Kong

\* *Non-executive Directors*

\*\* *Independent non-executive Directors*

14 August 2020

*To the shareholders*

Dear Sir or Madam,

**PROPOSAL RELATING TO  
GENERAL MANDATE TO REPURCHASE SHARES  
(THE “PROPOSAL”)**

**INTRODUCTION**

It is proposed to grant to the directors of King Fook Holdings Limited (the “Company”) a general mandate to repurchase shares of the Company.

The purpose of this circular is to give you further details of the Proposal and to convene an extraordinary general meeting (“EGM”) to consider and, if thought fit, approve the resolution necessary for the Proposal to be implemented. In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), this circular also contains the explanatory statement and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the Proposal.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO REPURCHASE SHARES

At the EGM, an ordinary resolution will be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent of the share capital of the Company in issue on the date of the resolution. The Company's authority is restricted to purchases made on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in accordance with the Listing Rules. Based on 913,650,465 shares of the Company ("Shares") in issue as at 10 August 2020 (the "Latest Practicable Date"), being the latest practicable date prior to printing of this circular, and on the assumption that no Share will be issued or repurchased prior to the EGM, exercise in full of the mandate could result in up to 91,365,046 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31 March 2020 (being the date of its latest audited accounts), the directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its Articles of Association to purchase its shares. Hong Kong law provides that payment in connection with a share repurchase may only be paid out of distributable profits or the proceeds of a fresh issue of shares made for the purpose of the repurchase. Under Hong Kong law, the repurchased shares will be regarded as cancelled.

The directors intend to apply the profit that would otherwise be available for distribution by way of dividend for any purchase of its shares.

### **Directors, their close associates and core connected persons**

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the close associates (as defined in the Listing Rules) of any of the directors has any present intention, in the event that the Proposal is approved by shareholders, to sell Shares to the Company.

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## LETTER FROM THE BOARD

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No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

### **Undertaking of the directors**

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Hong Kong, and in accordance with the regulations set out in the Articles of Association of the Company.

### **Effect of Takeovers Code**

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Yeung Chi Shing Estates Limited, who held approximately 60.70 per cent of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of such shareholder in the Company would be increased to approximately 67.44 per cent of the issued share capital of the Company and such increase would not give rise to an obligation on it to make a mandatory offer under Rule 26 of the Code.

### **Stock Exchange Rules for repurchases of shares**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

#### ***(i) Shareholders' approval***

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate or by a special approval.

#### ***(ii) Source of funds***

Repurchases must be funded out of funds legally available for the purpose.

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## LETTER FROM THE BOARD

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### General

During each of the six months preceding the date of this circular, no Share had been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2019</b>		
August	0.350	0.250
September	0.335	0.285
October	0.330	0.270
November	0.350	0.295
December	0.360	0.295
<b>2020</b>		
January	0.395	0.335
February	0.365	0.320
March	0.340	0.230
April	0.275	0.231
May	0.300	0.249
June	0.295	0.250
July	0.285	0.237
August (up to the Latest Practicable Date)	0.270	0.249

### EXTRAORDINARY GENERAL MEETING

You will find on pages 6 to 8 of this circular a notice of the EGM to be held at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Kowloon, Hong Kong on Friday, 11 September 2020 at 12:15 p.m. (or so soon thereafter as the annual general meeting of the Company convened for the same day at 12:00 noon shall have concluded or adjourned). Voting at the EGM will be taken by poll.

There is enclosed a form of proxy for use at the EGM. You are requested to complete the form of proxy and return it to the share registrar of the Company in accordance with the instructions printed thereon not less than 48 hours (excluding any part of a day that is a public holiday) before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The directors consider that the Proposal is in the interest of the Company and so recommend you to vote in favour of the resolution at the EGM. The directors will vote all their shareholdings in favour of such resolution.

Yours faithfully,  
By order of the Board  
**Tang Yat Sun, Richard**  
*Chairman*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# king fook holdings limited 景福集團有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 280)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the abovementioned company (the “Company”) will be held at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Kowloon, Hong Kong on Friday, 11 September 2020 at 12:15 p.m. (or so soon thereafter as the annual general meeting of the Company convened for the same day at 12:00 noon shall have concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

“THAT:

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent of the total number of shares of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

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

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

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

By Order of the Board  
**Tang Yat Sun, Richard**  
*Chairman*

Hong Kong, 14 August 2020

*Registered office:*

9th Floor  
King Fook Building  
30–32 Des Voeux Road Central  
Hong Kong

*Notes:*

- (1) A member entitled to attend and vote at the meeting convened by the above notice (the “Meeting”) is entitled to appoint another person as his proxy (except a member who is a clearing house or its nominee may appoint more than 2 proxies) to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s share registrar, Computershare Hong Kong Investor Services Limited (the “Share Registrar”), at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours (excluding any part of a day that is a public holiday) before the time for holding the Meeting or adjourned Meeting.
- (2) In order to determine the rights to attend and vote at the Meeting, the register of members of the Company will be closed from Tuesday, 8 September 2020 to Friday, 11 September 2020, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 7 September 2020.
- (3) In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the Meeting to safeguard the health and safety of the attending shareholders, staff and other stakeholders:
  - (i) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at the entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
  - (ii) All attendees will be required to wear surgical face masks on entry to and throughout the Meeting and to maintain a safe distance with other attendees. Please note that no masks will be provided at the meeting venue and attendees should wear their own masks.
  - (iii) No refreshments or drinks will be served, and there will be no corporate gift.



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (iv) Any person (a) who has travelled outside Hong Kong within 14 days immediately before the Meeting; (b) is subject to quarantine or self-quarantine in relation to COVID-19; or (c) has close contact with any person under quarantine or with recent travel history shall not attend the Meeting.
- (v) Seating at the Meeting venue will be arranged so as to allow for appropriate social distancing. As a result, there will be limited capacity for shareholders to attend the Meeting. The Company may limit the number of attendees at the Meeting venue as may be necessary to avoid over-crowding.

The Company would like to remind shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders are encouraged to appoint the chairman of the Meeting as their proxy to vote on the relevant resolution(s) at the Meeting instead of attending the Meeting in person, by completing and returning the proxy form in the manner mentioned in Note (1) above.

If any shareholder has any question relating to the Meeting, please contact the Share Registrar as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East, Wan Chai, Hong Kong  
Email: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)  
Tel: 2862 8555  
Fax: 2865 0990

Subject to the development of COVID-19, the Company may implement further precautionary measures and will issue further announcement on such measures as appropriate.

*As at the date of this notice, the executive directors of the Company are Mr. Tang Yat Sun, Richard, Dr. Fung Yuk Bun, Patrick and Mr. Yeung Ka Shing; the non-executive director is Mr. Wong Wei Ping, Martin; and the independent non-executive directors are Mr. Cheng Kar Shing, Peter, Mr. Ho Hau Hay, Hamilton, Mr. Sin Nga Yan, Benedict and Mr. Cheng Kwok Shing, Anthony.*