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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.



king fook holdings limited
景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

PROPOSALS RELATING TO GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND AMENDMENT OF ARTICLES OF ASSOCIATION NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting of the Company to be held at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Kowloon, Hong Kong on Monday, 5 September 2022 at 12:00 noon is set out on pages 9 to 13 of this circular.

22 July 2022

LETTER FROM THE BOARD



king fook holdings limited
景福集團有限公司

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(Stock Code: 280)

Directors:

Tang Yat Sun, Richard
Fung Yuk Bun, Patrick
Wong Wei Ping, Martin
Ng Ming Wah, Charles*
Cheng Kar Shing, Peter**
Cheng Kwok Shing, Anthony**
Ho Hau Hay, Hamilton**
Hou Tan Tan Danielle**
Sin Nga Yan, Benedict**

Registered office:

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

* *Non-executive Director*

** *Independent non-executive Directors*

22 July 2022

To the shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND AMENDMENT OF ARTICLES OF ASSOCIATION
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the annual general meeting of King Fook Holdings Limited (the “Company”) for the year ended 31 March 2022, resolutions will be proposed to grant to the directors of the Company general mandates to issue and repurchase shares of the Company and to amend the Articles of Association of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 31 March 2022 (the “AGM”). In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), this circular also

LETTER FROM THE BOARD

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 purchase by the Company of its own shares.

GENERAL MANDATE TO ISSUE SHARES

At the AGM an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent of the share capital of the Company in issue on the date of the resolution to provide flexibility to the Company to raise fund by issue of shares efficiently. On 18 July 2022 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 911,408,465 shares of the Company (“Shares”). On the assumption that no Share will be issued or repurchased prior to the AGM, exercise in full of the mandate could result in up to 182,281,693 Shares being issued by the Company. The mandate allows the Company to allot, issue and dispose of shares 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.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also 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 911,408,465 Shares in issue as at the Latest Practicable Date and on the assumption that no Share will be issued or repurchased prior to the AGM, exercise in full of the mandate could result in up to 91,140,846 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 2022 (being the date of its latest audited accounts), the directors consider that there would not be a 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.

LETTER FROM THE BOARD

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.

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 64.32 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 71.46 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.

LETTER FROM THE BOARD

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.

General

During each of the 6 months preceding the date of this circular, the following Shares had been repurchased by the Company:

Month	No. of Shares	Total price (HK\$)
2022		
July (up to the Latest Practicable Date)	250,000	103,730

LETTER FROM THE BOARD

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>
2021		
July	0.530	0.390
August	0.560	0.390
September	0.460	0.415
October	0.460	0.415
November	0.540	0.430
December	0.445	0.380
2022		
January	0.440	0.390
February	0.440	0.380
March	0.410	0.305
April	0.415	0.370
May	0.440	0.385
June	0.445	0.390
July (up to the Latest Practicable Date)	0.420	0.395

AMENDMENT OF ARTICLES OF ASSOCIATION

It is proposed to amend the Company's Articles of Association as follows:

- the first sentence in Article 70 be deleted and be replaced by the following:
“The Company shall hold a general meeting in respect of each financial year as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it in accordance with the provisions of the Companies Ordinance.”
- the following sentence be added as the last sentence of Article 75:
“All members shall have the right to speak at a general meeting.”
- the first sentence in Article 76 be deleted and be replaced by the following:
“For all purposes the quorum for a general meeting shall be two members present in person or by proxy, and for quorum purpose only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.”

LETTER FROM THE BOARD

4. the existing provisions of Article 107(H) be deleted and be replaced by the following:

“(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, subject to the following exceptions:

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”

LETTER FROM THE BOARD

5. the existing provisions of Article 120 be deleted and be replaced by the following:

“120. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless a notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the general meeting for which such notice is given of the intention to propose that person for election as a Director and notice in writing signed by that person of his willingness to be elected shall have been given to the Company at least fourteen days before the date of the general meeting but no earlier than the day after the despatch of the notice of the general meeting appointed for such election.”

The reasons and effects of the proposed amendment of the Company's Articles of Association are as follows:

1. Article 70 — the proposed amendment is made in compliance with paragraph 14(1) of Appendix 3 to the Listing Rules, which requires the Company to hold a general meeting for each financial year as its annual general meeting;
2. Article 75 — the proposed amendment makes clear the right of shareholders to speak at general meeting in compliance with paragraph 14(3) of Appendix 3 to the Listing Rules;
3. Article 76 — the proposed amendment changes the quorum requirement of a general meeting of the Company from three shareholders to two shareholders to follow market practice, which will allow general meetings of the Company to proceed more easily, and two persons appointed by a clearing house as proxy or representative, notwithstanding that a clearing house is only one member, suffice the quorum requirement as a clearing house represents a number of shareholders;
4. Article 107(H) — the proposed amendment is for compliance with Rule 13.44 of the Listing Rules in respect of exemptions to restriction on a director not to vote on any board resolution approving any contract, arrangement or proposal in which he or any of his close associates has a material interest nor be counted as quorum present at the meeting; and
5. Article 120 — the proposed amendment revises the notice period for nomination of director by a shareholder following the amendment of paragraph 4 of Appendix 3 and Rule 13.70 of the Listing Rules.

ANNUAL GENERAL MEETING

You will find on pages 9 to 13 of this circular a notice of the AGM to be held at 12:00 noon on Monday, 5 September 2022 at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Kowloon, Hong Kong. Voting at the AGM will be taken by poll.

LETTER FROM THE BOARD

Resolution no. 5A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company not exceeding 20 per cent of the total number of Shares in issue as at the date of the resolution.

Resolution no. 5B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company not exceeding 10 per cent of the total number of Shares in issue as at the date of the resolution.

Resolution no. 5C will be proposed as an ordinary resolution to extend resolution no. 5A to include the total number of Shares which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 5B.

Resolution no. 5D will be proposed as a special resolution to approve the proposed amendment of the Articles of Association of the Company.

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong 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.

RECOMMENDATION

The directors consider that the proposed granting of the mandates to issue and repurchase shares of the Company and amendment of the Articles of Association are in the interest of the Company and so recommend you to vote in favour of the relevant resolutions at the AGM. The directors will vote all their shareholdings in favour of such resolutions.

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

NOTICE OF ANNUAL GENERAL MEETING



king fook holdings limited 景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the “Company”) will be held at 12:00 noon on Monday, 5 September 2022 at The Ballroom, 18th Floor, The Mira Hong Kong, 118 Nathan Road, Kowloon, Hong Kong for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and independent auditor for the year ended 31 March 2022.
2. To declare a final dividend of HK1.6 cents per ordinary share for the year ended 31 March 2022.
3. To elect directors and to authorise the board of directors to fix their remuneration.
4. To appoint auditor and to authorise the board of directors to fix its remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution nos. 5A, 5B and 5C will be proposed as ordinary resolutions and resolution no. 5D will be proposed as a special resolution:

ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) 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 power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not exceed 20 per cent of the total number of shares of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(d) 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
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares 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 outside Hong Kong).”

B. “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

NOTICE OF ANNUAL GENERAL MEETING

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

C. “**THAT** conditional upon resolution no. 5B above being passed, the total number of shares of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 5B above shall be added to the total number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no.5A above.”

SPECIAL RESOLUTION

D. “**THAT** the existing Articles of Association of the Company be and are hereby amended in the manner set out in the section headed “Amendment of Articles of Association” in the circular of the Company dated 22 July 2022 (a copy of which section has been submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification).”

By Order of the Board
Tang Yat Sun, Richard
Chairman

Hong Kong, 22 July 2022

Registered office:

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

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice (the “Meeting”) is entitled to appoint 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 entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Wednesday, 31 August 2022 to Monday, 5 September 2022, 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 the above address not later than 4:30 p.m. on Tuesday, 30 August 2022.
- (3) In order to determine entitlement to the final dividend to be approved at the Meeting, the register of members of the Company will be closed on Friday, 9 September 2022, on which date 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 Thursday, 8 September 2022.
- (4) 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.
 - (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.

NOTICE OF ANNUAL GENERAL MEETING

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
Website: www.computershare.com/hk/contact
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 (the Chairman), Dr. Fung Yuk Bun, Patrick and Mr. Wong Wei Ping, Martin; the non-executive director is Mr. Ng Ming Wah, Charles; and the independent non-executive directors are Mr. Cheng Kar Shing, Peter, Mr. Ho Hau Hay, Hamilton, Mr. Sin Nga Yan, Benedict, Mr. Cheng Kwok Shing, Anthony and Ms. Hou Tan Tan Danielle.