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

If you have sold or transferred all your shares in Kato (Hong Kong) Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Kato (Hong Kong) Holdings Limited

嘉濤 (香 港) 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2189)

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM to be held at conference room, portion of Level 5, The Capitol, LOHAS Park Road, Tseung Kwan O, New Territories, Hong Kong on Friday, 23 August 2019 at 2:30 p.m. is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the annual general meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event, not later than 48 hours before the time appointed for holding the AGM or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or its adjournment if you so wish. If you attend and vote at the AGM, the instrument appointing your proxy will be deemed to have been revoked.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at conference room, portion of Level 5, The Capitol, LOHAS Park Road, Tseung Kwan O, New Territories, Hong Kong on Friday, 23 August 2019 at 2:30 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting, which is set out on pages 13 to 17 of this circular, or its adjournment
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chairman”	the chairman of the Board
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Kato (Hong Kong) Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed and traded on the Stock Exchange (Stock code: 2189)
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive Director(s)”	the executive Director(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	the independent non-executive Director(s)

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate number of the Share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Latest Practicable Date”	18 July 2019, being the latest practicable date for ascertaining certain information contained herein prior to the printing of this circular
“Listing Date”	13 June 2019, the date on which the issued Shares were initially listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise power of the Company to repurchase the Shares on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the Share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers issued by the SFC for the time being in force
“Year”	the year ended 31 March 2019
“%”	per cent



Kato (Hong Kong) Holdings Limited
嘉濤 (香港) 控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2189)

Executive Directors:

Ms. Ngai Ka Yee
Mr. Ngai Shi Shing Godfrey

Non-executive Director:

Mr. Kwong Kai To (*Chairman*)

Independent non-executive Directors:

Ms. Chiu Lai Kuen Susanna
Mr. Or Kevin
Mr. Wong Vinci

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Headquarters and principal place of
business in Hong Kong*

1st Floor, Tung Wai Court
No. 3 Tsing Ling Path
Tuen Mun
New Territories
Hong Kong

24 July 2019

Dear Shareholders,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Directors will propose at the AGM the resolutions for, among other matters, (i) the grant of the Issue Mandate and the Repurchase Mandate, (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate and (iii) the proposed re-election of the retiring Directors.

The purpose of this circular is to give you notice of the AGM and provide you with the information regarding the above resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE BOARD

ISSUE MANDATE

Given that the general mandate granted to the Directors to issue Shares pursuant to the written resolutions of the Shareholders dated 20 May 2019 will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant the Issue Mandate to the Directors. Based on 1,000,000,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Directors will be authorised to allot, issue and deal with up to a total of 200,000,000 Shares, being 20% of the total number of the issued Shares as at the date of the resolution in relation thereto if the Issue Mandate is granted at the AGM. The Issue Mandate, if granted at the AGM, will end at the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

REPURCHASE MANDATE

Given that the general mandate granted to the Directors to repurchase Shares pursuant to the written resolutions of the Shareholders dated 20 May 2019 will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors. Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate and based on 1,000,000,000 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Company would be allowed to repurchase a maximum of 100,000,000 Shares, being 10% of the total number of the issued Shares as at the date of the resolution in relation thereto. The Repurchase Mandate, if granted at the AGM, will end at the earliest of (i) the conclusion of the next annual general meeting; (ii) the end of the period within which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make informed decisions on whether to vote for or against the resolution approving the Repurchase Mandate.

EXTENSION OF ISSUE MANDATE TO ISSUE SHARES

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by including the number of Shares repurchased under the Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, there were two executive Directors, namely Ms. Ngai Ka Yee and Mr. Ngai Shi Shing Godfrey; one non-executive Director, namely Mr. Kwong Kai To and three INEDs, namely Ms. Chiu Lai Kuen Susanna, Mr. Or Kevin and Mr. Wong Vinci.

According to Article 83(3) of the Article of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company (in the case of an addition to the existing Board) or until the next following general meeting of the Company (in the case of filling a casual vacancy) and shall then be eligible for re-election.

According to Article 84 of the Article of Association, one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election. Accordingly, Mr. Ngai Shi Shing Godfrey and Mr. Kwong Kai To, who are longest in office, shall retire as Directors and, being eligible, offer themselves for re-election at the AGM.

The biographical details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements under the Listing Rules.

AGM

The Company will convene the AGM at conference room, portion of Level 5, The Capitol, LOHAS Park Road, Tseung Kwan O, New Territories, Hong Kong on Friday, 23 August 2019 at 2:30 p.m., at which the resolutions will be proposed for the purpose of considering and, if thought fit, approving, among others, (i) the grant of the Issue Mandate and the Repurchase Mandate, (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate and (iii) the re-election of the Retiring Directors. The notice convening the AGM is set out on pages 13 to 17 of this circular.

A form of proxy for use in connection with the AGM is enclosed with this circular and can also be downloaded from the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.elderlyhk.com). Whether or not you are able to attend the annual general meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible but in any event, not later than 48 hours before the time appointed for holding the AGM or its adjournment (as the case maybe). Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the AGM or its adjournment should he/she/it so wishes. If the Shareholder attends and votes at the AGM, the instrument appointing the proxy will be deemed to have been revoked.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions to be proposed at the AGM and contained in the notice of the AGM will be voted by way of a poll by the Shareholders.

RESPONSIBILITY OF DIRECTORS

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

RECOMMENDATION

The Directors consider that (i) the grant of the Issue Mandate and the Repurchase Mandate, (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate and (iii) the re-election of the Retiring Directors as set out in the notice of AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM on pages 13 to 17 of this circular.

GENERAL

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board
Kato (Hong Kong) Holdings Limited
Kwong Kai To
Chairman and non-executive Director

This appendix serves as an explanatory statement as required by the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the AGM granting the Repurchase Mandate.

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

1. SHAREHOLDERS' APPROVAL

All proposed repurchase of shares on the Stock Exchange by the Company must be approved in advance by the Shareholders by an ordinary resolution of the Company, either by way of a general mandate or by a specific approval to the Directors.

2. REPURCHASE OF SECURITIES FROM CORE CONNECTED PERSONS

Under the Listing Rules, the Company is prohibited from knowingly purchasing Shares on the Stock Exchange from a core connected person.

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company or has undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,000,000,000 Shares.

Subject to the passing of the proposed ordinary resolution for the approval of the Repurchase Mandate, and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of passing such resolution at the AGM, the Company will be allowed to repurchase up to a maximum of 100,000,000 Shares, representing 10% of the entire issued Share Capital of the Company as at the date of passing the relevant resolution. Until the earliest of:

- (i) the conclusion of the next annual general meeting; or
- (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or
- (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

4. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

5. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's funds legally available in accordance with the laws of the Cayman Islands and the Articles of Association for such purpose.

6. IMPACT ON WORKING CAPITAL OR GEARING POSITION

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital or gearing position of the Company when compared with that as at 31 March 2019, being the date of its latest published audited consolidated financial statements. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company, which in the opinion of the Directors is from time to time appropriate for the Company.

7. SHARE PRICES

The highest and lowest market prices at which the Shares had been traded on the Stock Exchange since the Listing Date and up to the Latest Practicable Date were as follows:

Month	Share Price (per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
June (since the Listing Date)	0.650	0.455
July (up to and including the Latest Practicable Date)	0.540	0.470

8. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their respective close associates, has any present intention to sell to the Company or any member of the Group any of the Shares if the Repurchase Mandate is approved at the AGM.

9. UNDERTAKING OF THE DIRECTORS

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

10. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

To the best knowledge and belief of the Directors, as at the Latest Practicable Date, Ms. Ngai Ka Yee, Mr. Ngai Shi Shing Godfrey and Mr. Kwong Kai To and the Controlling Shareholders, was deemed to be interested in 624,000,000 Shares representing approximately 62.4% of the total issued share capital of the Company.

In the event that the Directors exercise the proposed Repurchase Mandate in full, the aggregate shareholding of Ms. Ngai Ka Yee, Mr. Ngai Shi Shing Godfrey and Mr. Kwong Kai To and the Controlling Shareholders would be increased to approximately 69.3% of the issued share capital of the Company. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate in whole or in a certain part will result in the aggregate amount of the issued Shares in the public hands falling below the prescribed minimum percentage of 25% as required by the Listing Rules. The Directors do not intend to repurchase Shares which would result in a public shareholding of less than the prescribed minimum percentage of Share in public hands.

11. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) since the Listing Date up to the Latest Practicable Date.

The following are the biographical details of the Directors proposed to be re-elected at the AGM.

Save as disclosed herein, each of the following Directors proposed for the re-election:

- (a) does not hold any other directorship in listed public companies in the last three years;
- (b) does not have any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations required to be disclosed pursuant to Part XV of the SFO; and
- (c) does not hold any other positions with the Company or any of its subsidiaries nor does he/her has any other relationship with any Directors, senior management, substantial shareholder or controlling shareholder of the Company.

In addition, there are no other matter concerning the re-election of each of the Directors that needs to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Ngai Shi Shing Godfrey

Mr. Ngai Shi Shing Godfrey (“Mr. Ngai”), aged 45, was appointed as a Director on 19 April 2018 and was designated as an executive Director and chief executive officer on 2 October 2018. Mr. Ngai joined the Group in September 1998 as director and chief executive officer of Crawfield International Limited (“**Crawfield International**”). Mr. Ngai has over 20 years of experience in the residential carehome(s) for the elderly (“**RCHE(s)**”) industry in Hong Kong. Mr. Ngai obtained (i) a Higher Diploma in Manufacturing Engineering (Product Engineering and Design) from Hong Kong Technical Colleges in July 1996, and (ii) a Master of Science in Engineering Business Management from The University of Warwick in January 1998.

Mr. Ngai was appointed as the chairman of Tai Po North District Scout Council from May 2011 to May 2012. Mr. Ngai was awarded the Bronze Award for Volunteer Service from the director of Social Welfare and Volunteer-in-Chief for four consecutive years from 2006 to 2009. He was also awarded the Outstanding Director Award of the Chartered Association of Directors in December 2010. Mr. Ngai is the director of each of Crawfield International, Happy Luck Elderly Home Limited, Jane’s Home Limited, Kato Kung Limited (“**Kato Kung**”), Oriental Chinese Medicine Limited (“**Oriental Chinese**”) and Tsuen Wan Elderly Centre Limited. Mr. Ngai is the son of Ms. Ngai Ka Yee, the stepson of Mr. Kwong (as defined below), the brother of Mr. Lam Kong and stepbrother of Mr. Kwong Thomas Wai Ping.

Mr. Ngai has entered into a service agreement with the Company for an initial term of three years commencing from 13 June 2019 and he is subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Articles of Association. Mr. Ngai is entitled to a fixed salary of HK\$1,200,000 per annum plus a

discretionary management bonus upon completion of every 12 months of service. Such salary is determined by the Board based on the recommendation of the remuneration committee of the Board with reference to his duties and responsibilities with the Company and the Company's remuneration policy.

Mr. Ngai, as the sole beneficiary of The Kwong and Ngai Family Trust established pursuant to the trust deed dated 19 March 2018 as amended and supplemented by a deed of variation and removal of beneficiaries date 17 July 2018 (the "**Family Trust**"), is deemed to be interested in 624,000,000 Shares by virtue of the SFO.

Mr. Kwong Kai To

Mr. Kwong Kai To ("**Mr. Kwong**"), aged 92, was appointed as a Director on 2 October 2018 and was designated as a non-executive Director and the chairman of the Board on 2 October 2018. He is responsible for advising, reviewing and overseeing the implementation of the business strategies of the Group and participating in the formulation of corporate and strategic development of the Group. In particular, Mr. Kwong is responsible for overseeing the expansion of our network of care and attention homes providing strategic advice in relation to the location, quality control and size. He has over 25 years of experience in the RCHE industry in Hong Kong.

The following table sets out the awards and honorary titles received by Mr. Kwong:

	Year	Name of award	Issuing organisation
1	November 2009	Gold Dragon Award	Scout Association of Hong Kong
2	March 2010	Honorary Fellowship	The Hong Kong Institute of Education (now known as the Education University of Hong Kong)

Mr. Kwong is the director of each of Crawfield International, Kato Kung and Oriental Chinese. Mr. Kwong is the spouse of Ms. Ngai Ka Yee, the stepfather of Mr. Ngai and Mr. Lam Kong and the father of Mr. Kwong Thomas Wai Ping.

Mr. Kwong has entered into a service agreement with the Company for a fixed term of two years and he is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Articles of Association. Mr. Kwong is entitled to a remuneration of HK\$1,080,000 per annum. Such fee is determined by the Board based on the recommendation of the remuneration committee of the Board and with regard to the prevailing market conditions and his duties and responsibilities as an independent non-executive Director.

Mr. Kwong, as one of the settlors of the Family Trust, is deemed to be interested in 624,000,000 Shares by virtue of the SFO.

NOTICE OF ANNUAL GENERAL MEETING



Kato (Hong Kong) Holdings Limited

嘉濤(香港)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2189)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Kato (Hong Kong) Holdings Limited 嘉濤(香港)控股有限公司 (the “**Company**”) will be held at conference room, portion of Level 5, The Capitol, LOHAS Park Road, Tseung Kwan O, New Territories, Hong Kong on Friday, 23 August 2019 at 2:30 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and independent auditor of the Company (the “**Independent Auditor**”) for the year ended 31 March 2019;
2.
 - (a) To re-elect Mr. Ngai Shi Shing Godfrey as executive Director;
 - (b) To re-elect Mr. Kwong Kai To as non-executive Director;
 - (c) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration for the year ending 31 March 2020;
3. To re-appoint PricewaterhouseCoopers as the Independent Auditor to hold office until the conclusion of the next annual general meeting and authorise the Board to fix its remuneration;

NOTICE OF ANNUAL GENERAL MEETING

As special business to consider and, if thought fit, pass with or without modification, the following resolutions as Ordinary Resolutions:

4. “**THAT:**

- (a) subject to paragraph (c) of this Resolution below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company (the “**Shares**”) or securities convertible into or exchangeable for the Shares, or options or warrants for similar rights to subscribe for any Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution above shall authorise the Directors during the Relevant Period (as defined below) 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 aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company (the “**Articles**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription, conversion or exchange under the terms of any warrants of the Company or any securities which are convertible into or exchange for Shares, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate number of Shares as at the date of the passing of this Resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company (the “**Shareholders**”)) the aggregate number of any Shares repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate number of Shares as at the date of the passing of this Resolution),

and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of 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 Articles, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) (the “**Companies Law**”) or any other applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT**:

- (a) subject to paragraph (b) of this Resolution below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined below) of all powers of the Company to purchase shares in the share capital of the Company (the “**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 recognized by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange under the Hong Kong Code on Share Buy-backs administered by the Commission for such purpose, and otherwise in accordance with the rules and regulations of the Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate number of the Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

(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 Articles, the Companies Law or any other applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this Resolution.”

6. “**THAT** subject to the passing of Resolutions nos. 4 and 5 set out in the notice convening the annual general meeting of the Company (the “**Notice**”), the authority of the directors of the Company pursuant to Resolution no. 4 set out in the Notice be and is hereby approved to extend to cover such amount representing the aggregate number of the issued Shares repurchased pursuant to the authority granted pursuant to Resolution no. 5 set out in the Notice.”

By Order of the Board
Kato (Hong Kong) Holdings Limited
Kwong Kai To
Chairman and non-executive Director

Hong Kong, 24 July 2019

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
1st Floor, Tung Wai Court
No. 3 Tsing Ling Path
Tuen Mun
New Territories
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company (the “**Member**”) entitled to attend and vote at the annual general meeting of the Company (the “**AGM**”) convened by the above Notice or its adjourned meeting (as the case may be) is entitled to appoint one or more proxies to attend and, subject to the provisions of the Articles, to vote on his/her/its behalf. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 48 hours before the time for holding the AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the AGM or its adjourned meeting should he/she/it so wish.
3. Where there are joint holders of any Share, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto; but should more than one of such joint holders be present at the AGM in person or by proxy, that one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.
4. For determining Members’ entitlement to attend and vote at the AGM, the register of Members will be closed from Tuesday, 20 August 2019 to Friday, 23 August 2019 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Monday, 19 August 2019.
5. In relation to proposed Resolutions nos. 4 and 6 above, approval is being sought from the Members for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares.
6. In relation to proposed Resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they consider appropriate for the benefit of the Members as a whole. An explanatory statement containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I of the circular despatched to the Members on the date hereof.
7. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 12:00 noon on the date of the AGM, the meeting will be postponed. The Company will publish an announcement on the HKExnews website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.elderlyhk.com and to notify Members of the date, time and venue of the rescheduled meeting.