

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt about 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 Hong Kong Television Network Limited, you should at once hand this circular with the enclosed 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 the transferee.

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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**Hong Kong Television Network Limited**  
**香港電視網絡有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
(Stock Code: 1137)

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**  
**(2) RE-ELECTION OF RETIRING DIRECTORS;**  
**(3) CONNECTED TRANSACTION RELATING TO**  
**GRANT OF AWARDED SHARES TO A CONNECTED PERSON**  
**UNDER THE SHARE AWARD SCHEME;**  
**(4) PROPOSED CHANGE OF COMPANY NAME;**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**



A notice convening the annual general meeting (the "AGM") of Hong Kong Television Network Limited (the "Company") to be held at Ground Floor, HKTV Multimedia and Ecommerce Centre, No. 1 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong on Wednesday, 9 June 2021 at 10:00 a.m. is set out on pages 60 to 64 of this circular. A form of proxy is also enclosed.

Whether or not you are able to attend and vote at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same 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 as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjournment thereof should you so wish.

**PRECAUTIONARY MEASURES FOR THE AGM**

Please see pages 1 to 2 of this circular for measures being taken to try to prevent and control the spread of the Coronavirus Disease 2019 ("COVID-19") at the AGM, including:

- mandatory screening of body temperatures
- mandatory wearing of surgical face masks and maintaining a safe distance between seats
- no distribution of refreshments
- disinfection of hands and footwear

The Company requires attendees to wear surgical face masks and reminds Shareholders that they may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

10 May 2021

# CONTENTS

	<i>Page</i>
<b>Precautionary Measures for the AGM</b> .....	1
<b>Definitions</b> .....	3
<b>Letter from the Board</b>	
I. Introduction .....	8
II. General Mandates .....	9
III. Re-election of Retiring Directors .....	10
IV. Grant of Awarded Shares to a Connected Person under the Scheme .....	11
V. Proposed Change of Company Name .....	26
VI. AGM .....	27
VII. Voting Procedures by Shareholders .....	28
VIII. Responsibility Statement .....	28
IX. Recommendation .....	28
X. General Information .....	29
<b>Letter from the Independent Board Committee</b> .....	30
<b>Letter from the Independent Financial Adviser</b> .....	32
<b>Appendix I — Explanatory Statement</b> .....	49
<b>Appendix II — Details of Retiring Directors Proposed for Re-election</b> .....	52
<b>Appendix III — General Information</b> .....	56
<b>Notice of AGM</b> .....	60

## PRECAUTIONARY MEASURES FOR THE AGM

The health of our Shareholders and other stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect attending Shareholders and other stakeholders from the risk of infection:

- (i) Mandatory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue;
- (ii) The attendees must wear surgical face masks inside the AGM venue at all times, and shall maintain a safe distance between seats;
- (iii) No refreshments will be served; and
- (iv) There will be disinfection of hands and footwear at the entrance of the AGM venue.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for its prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising their voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

The proxy form is attached to the AGM Circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investor Engagement" section of the Company's website at [ir.hktv.com.hk](http://ir.hktv.com.hk).

If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy. If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company as follows:

Email: investor\_engagement@hktv.com.hk  
Telephone: +852 3145 6888  
Fax: +852 2199 8354

## **PRECAUTIONARY MEASURES FOR THE AGM**

Subject to the development of the COVID-19 pandemic and the requirements or guidelines of the Government and/or regulatory authorities, the Company may announce further updates on the AGM arrangement on the Company's website ([ir.hktv.com.hk](http://ir.hktv.com.hk)) as and when appropriate.

If any Shareholder has any questions relating to the AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar as follows:

### **Computershare Hong Kong Investor Services Limited**

Address: 17M Floor, Hopewell Centre  
183 Queen's Road East, Wan Chai, Hong Kong  
Email: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)  
Tel: +852 2862 8555  
Fax: +852 2865 0990

## DEFINITIONS

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

“2012 Share Option Scheme”	the existing share option scheme of the Company adopted and approved by the Shareholders on 31 December 2012
“Adoption Date”	31 March 2021, the date on which the Scheme is adopted by the Company
“AGM”	the annual general meeting of the Company to be held at Ground Floor, HKTV Multimedia and Ecommerce Centre, No. 1 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong on Wednesday, 9 June 2021 at 10:00 a.m.
“Annual Report”	the annual report of the Company for the year ended 31 December 2020
“Articles”	the articles of association of the Company
“Associate”	has the meaning ascribed thereto under the Listing Rules
“Award”	an award of the Awarded Shares by the Board to a Selected Participant under the Scheme
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares awarded by the Board in accordance with the Scheme
“Board”	the board of Directors
“Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Hong Kong Television Network Limited
“Connected Award Shares”	up to 45,799,285 Award Shares to be issued and allotted in favour of Mr. Wong under the Scheme, subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme
“Connected Person”	has the meaning ascribed thereto under the Listing Rules
“Date of Award”	31 March 2021, the date on which the Board resolved to award the Connected Award Shares to Mr. Wong under the Scheme
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“Eligible Person(s)”	in relation to the Scheme, any individual, being an Employee, Director, officer, consultant or adviser of any member of the Group or any other person whom the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group
“Employee”	any employee of any member of the Group
“Expected Growth Rate”	has the meaning as defined under the section headed “IV. Grant of Awarded Shares to a Connected Person under the Scheme — Vesting schedule and conditions — Conditions”
“General Mandates”	the Issue Mandate and the Repurchase Mandate to be sought at the AGM as set out in the Notice of AGM
“Group”	the Company and its Subsidiaries
“Growth Performance Condition”	has the meaning as defined under the section headed “IV. Grant of Awarded Shares to a Connected Person under the Scheme — Vesting schedule and conditions — Conditions”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors of the Company, namely Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu and Mr. Mak Wing Sum, Alvin, formed for the purpose of advising the Independent Shareholders of the Award of the Connected Award Shares
“Independent Financial Adviser” or “Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Award of the Connected Award Shares
“Independent Shareholders”	Shareholders other than Mr. Cheung and Mr. Wong and their respective Associates

## DEFINITIONS

“Initial Benchmark Price”	has the meaning as defined under the section headed “IV. Grant of Awarded Shares to a Connected Person under the Scheme — Vesting schedule and conditions — Actual number of Connected Award Shares to be vested”
“inside information”	has the meaning ascribed thereto under the SFO
“Issue Mandate”	a general mandate to allot, issue and deal with additional Shares not exceeding 20% of the number of the Shares in issue as at the date of passing of the resolution approving such mandate
“Latest Practicable Date”	3 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheung”	Mr. Cheung Chi Kin, Paul, the Chairman and an executive Director
“Mr. Wong”	Mr. Wong Wai Kay, Ricky, the Vice Chairman, Group Chief Executive Officer, an executive Director and a substantial Shareholder
“Measurement Period”	has the meaning as defined under the section headed “IV. Grant of Awarded Shares to a Connected Person under the Scheme — Vesting schedule and conditions — Actual number of Connected Award Shares to be vested”
“Measurement Price”	has the meaning as defined under the section headed “IV. Grant of Awarded Shares to a Connected Person under the Scheme — Vesting schedule and conditions — Actual number of Connected Award Shares to be vested”
“Notice of AGM”	the notice convening the AGM set out on pages 60 to 64 of this circular
“Proposed Change of Company Name”	the proposed change in the Company’s English name from “Hong Kong Television Network Limited” to “Hong Kong Technology Venture Company Limited” and the Chinese name from “香港電視網絡有限公司” to “香港科技探索有限公司”
“Remuneration Committee”	the remuneration committee of the Company

## DEFINITIONS

“Repurchase Mandate”	a general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the number of the Shares in issue as at the date of the resolution approving such mandate
“Scheme”	the share award scheme adopted by the Company on the Adoption Date, in its present form or as amended from time to time in accordance with the provisions thereof
“Selected Participant(s)”	any Eligible Person or such Eligible Person’s wholly owned company or trust (the beneficiaries of which include such Eligible Person and/or his immediate family members) selected by the Board for participation in the Scheme
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Share Repurchase Rules”	the applicable provisions under the Listing Rules to regulate the repurchase by companies of their own securities listing on the Stock Exchange
“Specific Mandate”	a specific mandate to issue and allot the Connected Award Shares, which is subject to the approval by the Independent Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a subsidiary within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the time being of the Company whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs published by Securities and Futures Commission
“Target Price”	has the meaning as defined under the section headed “IV. Grant of Awarded Shares to a Connected Person under the Scheme — Vesting schedule and conditions — Conditions”



## DEFINITIONS

“Trustee” a professional trustee which the Company may appoint to assist with the administration of the Scheme and the vesting of Awards granted

“%” per cent.

LETTER FROM THE BOARD



**Hong Kong Television Network Limited**  
**香港電視網絡有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
(Stock Code: 1137)

***Executive Directors:***

Mr. Cheung Chi Kin, Paul (*Chairman*)  
Mr. Wong Wai Kay, Ricky  
(*Vice Chairman & Group Chief Executive Officer*)  
Ms. Wong Nga Lai, Alice  
(*Group Chief Financial Officer*)  
Mr. Lau Chi Kong  
(*Chief Executive Officer (International Business)*)  
Ms. Zhou Huijing  
(*Chief Executive Officer (Hong Kong)*)

***Registered Office:***

HKTV Multimedia and  
Ecommerce Centre  
No. 1 Chun Cheong Street  
Tseung Kwan O Industrial Estate  
New Territories  
Hong Kong

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

Mr. Lee Hon Ying, John  
Mr. Peh Jefferson Tun Lu  
Mr. Mak Wing Sum, Alvin

10 May 2021

*To the Shareholders*

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;  
(2) RE-ELECTION OF RETIRING DIRECTORS;  
(3) CONNECTED TRANSACTION RELATING TO  
GRANT OF AWARDED SHARES TO A CONNECTED PERSON  
UNDER THE SHARE AWARD SCHEME;  
(4) PROPOSED CHANGE OF COMPANY NAME;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

**I. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM for (i) the grant to the Directors the General Mandates; (ii) the re-election of retiring Directors; (iii) the Award of the Connected Award Shares and the grant of the Specific Mandate; and (iv) the Proposed Change of Company Name.

## LETTER FROM THE BOARD

### II. GENERAL MANDATES

At the AGM, ordinary resolutions will be proposed to grant to the Directors the General Mandate as follows:

- (a) to grant to the Directors the Issue Mandate to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the number of the Shares in issues as at the date of the passing of such resolution;
- (b) to grant to the Directors the Repurchase Mandate to enable them to repurchase Shares up to a maximum of 10% of the number of the Shares in issue as at the date of the passing of such resolution; and
- (c) to increase the number of Shares to be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The general mandates will expire at the conclusion of the AGM and the purpose of this circular is to request your support to renew the General Mandates at the AGM.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement as required by the Listing Rules is set out in Appendix I to this circular.

#### (a) Issue Mandate

At the AGM, an ordinary resolution will be proposed which, if passed, will give the Directors the Issue Mandate to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the number of the Shares in issue at the date passing of the resolution, details of which are set out in ordinary resolution No. 4 in the Notice of AGM. In addition, conditional upon the proposed ordinary resolution to grant to the Directors the Repurchase Mandate being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate number of the Shares repurchased by the Company in order to provide flexibility for issuing new Shares when it is in the interests of the Company.

The Company had an aggregate of 916,080,893 Shares in issue as at the Latest Practicable Date. Subject to the passing of the ordinary resolution No. 4 for the approval of the Issue Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will therefore be allowed to allot and issue up to a maximum of 183,216,178 Shares, representing 20% of the number of the Shares in issue.

## LETTER FROM THE BOARD

The Issue Mandate will expire on the day being 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 or any applicable laws of Hong Kong to be held; and (iii) the date on which the authority set out in the resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

### **(b) Repurchase Mandate**

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution No. 5 in the Notice of AGM. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the number of the Shares in issue at the date of passing of the resolution approving the Repurchase Mandate.

The Company had an aggregate of 916,080,893 Shares in issue as at the Latest Practicable Date. Subject to the passing of the ordinary resolution No. 5 for the approval of the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will therefore be allowed to repurchase up to a maximum of 91,608,089 Shares, representing 10% of the number of the Shares in issue.

The Repurchase Mandate will expire on the day being 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 or any applicable laws of Hong Kong to be held; and (iii) the date on which the authority set out in the resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

Details of the above ordinary resolutions are set out in ordinary resolutions Nos. 4, 5 and 6 in the Notice of AGM.

### **III. RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Articles 96 and 99 of the Articles, Mr. Wong Wai Kay, Ricky, Ms. Zhou Huijing and Mr. Lee Hon Ying, John will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

The re-appointment of Directors has been reviewed by the nomination committee of the Company, which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the AGM.

Hence, the Board proposes to re-appoint Mr. Wong Wai Kay, Ricky, Ms. Zhou Huijing and Mr. Lee Hon Ying, John as Directors at the AGM. Biographical details of each of these Directors are set out in Appendix II to this circular.

## LETTER FROM THE BOARD

### IV. GRANT OF AWARDED SHARES TO A CONNECTED PERSON UNDER THE SCHEME

#### **Introduction**

Reference is made to the announcements of the Company dated 31 March 2021 and 1 April 2021 pursuant to which the Company announced that the Company has adopted the Scheme on the Adoption Date and that the Board had resolved to conditionally award an aggregate of up to 45,799,285 Connected Award Shares in five tranches in relation to five financial years ending 31 December 2021, 2022, 2023, 2024 and 2025 (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) to Mr. Wong, who is an executive Director, the Vice-Chairman, the Group Chief Executive Officer and a substantial Shareholder, under the Scheme.

As Mr. Wong is a Connected Person (as defined in Chapter 14A of the Listing Rules) to the Company, the Award of up to 45,799,285 Connected Award Shares to Mr. Wong under the Scheme shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **Summary of Principal Terms of the Scheme**

##### *Purposes and objectives*

The purposes and objectives of the Scheme are to recognise the contributions by certain Eligible Persons and to provide them with incentives in order to retain them to strive for the future development and expansion of the Group by aligning their interests directly to that of the Shareholders, and to attract suitable personnel for further development of the Group.

##### *Effectiveness and duration*

The Scheme has been approved by the Board and has become effective on the Adoption Date. Subject to any early termination determined by the Board in accordance with the rules of the Scheme, the Scheme is valid and effective for a term of 10 years commencing on the Adoption Date.

##### *Administration*

The Scheme shall be subject to the administration of the Board in accordance with the rules of the Scheme.

## LETTER FROM THE BOARD

### *Operation of the Scheme*

#### *Award of Awarded Shares to Selected Participants*

Subject to the relevant rules of the Scheme, the Board may at its absolute discretion select any Eligible Person for participation in the Scheme as a Selected Participant from time to time, and grant such number of Awarded Shares to the Selected Participant in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

The Company shall issue and allot Shares to the Selected Participants under the general or specific mandates granted or to be granted by the Shareholders at the general meetings from time to time so as to satisfy the Awards. The Board would seek specific mandate from the Shareholders for the issue and allotment of Awarded Shares for each Award (i) where any grant of the Awarded Shares would cause the Company to issue and allot Shares in excess of the permitted amount in the general mandate available at the time of the Award; or (ii) where any Award is made to a Connected Person of the Company.

The Board currently proposes to grant all Awards to the Selected Participants directly, rather than via a Trustee. However, the Board has retained the flexibility under the rules of the Scheme to allow the Company to appoint a Trustee (which should be a third party independent of the Company) in the future to assist the Company with the administration of the Scheme and vesting of the Awards granted. Under the Scheme, to the extent permitted by the applicable laws and by the Listing Rules, the Company may (i) allot and issue Shares to the Trustee to be held by the Trustee pending the vesting of Award granted and which will be used to satisfy the Awards upon vesting; and/or (ii) direct and procure the Trustee to make on-market purchases of the Shares to satisfy the Awards upon vesting.

If a Trustee is appointed, its role would be to, among other things, (i) purchase Shares on market as directed by the Company for the purpose of satisfying the Awards on vesting; and (ii) hold Shares on trust on behalf of the Selected Participants until such time as the relevant Awards vest or lapse. The terms on which a Trustee would be appointed would be governed by a trust deed to be entered into between the Company and the Trustee.

The Company shall comply with the Articles and the relevant Listing Rules when allotting and issuing any new Shares under any general mandate or specific mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued.

Where any grant of Awarded Shares is proposed to be made to any person who is a Connected Person of the Company within the meaning of the Listing Rules, the Company shall comply with the relevant Listing Rules requirements, including any reporting, announcement and/or Shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

## LETTER FROM THE BOARD

Where any grant of Awarded Shares is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director), such grant must first be approved by all the members of the Remuneration Committee of the Board, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

### *Vesting and lapse*

The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant, the respective Awarded Shares shall vest in such Selected Participant.

In the event that prior to or on the vesting date, a Selected Participant is found not to be an Eligible Person anymore or is deemed to cease to be an Eligible Person by reason of (i) termination of the employment or contractual engagement of the Selected Participant with any member of the Group by reason of his/her permanent physical or mental disablement, (ii) termination of the employment or contractual engagement of the Selected Participant with any member of the Group by reason of redundancy, (iii) any act of fraud or dishonesty or serious misconduct he has committed, (iv) being declared or adjudged to be bankrupt by a competent court or governmental body or failure to pay his debts as they fall due or entering into any arrangement or composition with his creditors generally or an administrator taking possession of any of his assets, (v) being convicted of any criminal offence or (vi) being convicted of any offence in breach of the SFO or other securities laws or regulations in Hong Kong or other applicable laws or regulations in force from time to time, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant vesting date unless the Board determines otherwise at their absolute discretion.

### *Assignment*

Prior to the vesting date, any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not be assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares transferable to him pursuant to such Award.

### *Voting Rights*

A Selected Participant shall not be entitled to exercise any voting rights and no instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Company and the Board in respect of the Awarded Shares that have not been vested.

## LETTER FROM THE BOARD

### *Restrictions under the Scheme*

No Award shall be made by the Board under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and any applicable laws from time to time. Without limiting the generality of the foregoing, no such grant is to be made:

- (a) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the application laws and the Listing Rules;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (c) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or
- (d) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

### *Consolidation, sub-division and bonus issue*

In the event the Company undertakes a sub-division or consolidation of the Shares, corresponding changes will be made to the number of Awarded Shares that have been granted provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants.

In the event of an issue of Shares by the Company credited as fully paid to the holders of the Shares by way of capitalisation of profits or reserves, the Shares attributable to any Awarded Shares shall be deemed to be an accretion to such Awarded Shares and all the provisions hereof in relation to the original Awarded Shares shall apply to such additional Shares.

### *Scheme limit*

No shares shall be subscribed for and/or purchased pursuant to the Scheme, if as a result of such subscription and/or purchase, the number of Shares administered under the Scheme would represent more than 10% of the number of the issued Shares as at the



## LETTER FROM THE BOARD

Adoption Date (subject to adjustment in the event of sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) without Shareholders' approval.

### *Alteration*

The Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participants unless (i) the consent in writing of Selected Participants amounting to three-fourths of all Awarded Shares; or (ii) the sanction of a special resolution passed at a meeting of the Selected Participants amounting to three-fourths of all Awarded Shares is obtained.

### *Termination*

The Scheme shall terminate on the earlier of the 10th anniversary date of the Adoption Date or such date of early termination as determined by the Board by a resolution of the Board provided that such termination shall not affect any subsisting rights of any Selected Participant.

Upon termination of the Scheme, (i) no further grant of Awarded Shares may be made under the Scheme; and (ii) all the Awarded Shares of the Selected Participants granted under the Scheme shall become vested in the Selected Participants according to the conditions of the Award, subject to the receipt by the Board of any prescribed subscription and/or transfer documents (where applicable and as may be required by the Board) duly executed by the Selected Participant.

### **Details of Award**

On 31 March 2021, the Board has resolved to conditionally award up to 45,799,285 Connected Award Shares in five tranches in relation to five financial years ending 31 December 2021, 2022, 2023, 2024 and 2025 (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) to Mr. Wong under the Scheme, subject to the approval by the Independent Shareholders at the AGM. Subject to the terms and conditions of the rules of the Scheme and the satisfaction of and the vesting conditions, such vested Connected Award Shares shall be issued and allotted to Mr. Wong according to the vesting schedule to be mentioned below.

### **Award of the Connected Award Shares**

An Award of up to 45,799,285 Connected Award Shares will be granted to Mr. Wong for nil consideration, and is conditional upon the satisfaction of the vesting conditions. Mr. Wong has abstained from voting on the Board resolution to approve the Award of the Connected Award Shares to him.

## LETTER FROM THE BOARD

Each tranche of up to 9,159,857 Connected Award Shares represent up to approximately 1% of the total number of Shares in issue as at the Date of Award. The aggregate of up to 45,799,285 Connected Award Shares represent up to approximately 5.0% of the total number of Shares in issue as at the Latest Practicable Date and approximately 4.8% of the total number of Shares in issue as enlarged by the issue and allotment of the maximum number of Connected Award Shares.

Based on the closing price of HK\$10.40 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of the maximum number of Connected Award Shares which may be granted over 5 years is HK\$476,312,564.

The Connected Award Shares, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate of up to 45,799,285 Connected Award Shares.

The Award of the Connected Award Shares to Mr. Wong has been approved by all the members of the Remuneration Committee.

### **Vesting schedule and conditions**

Subject to the terms and conditions of the rules of the Scheme and the satisfaction of the vesting conditions, the aggregate of up to 45,799,285 Connected Award Shares (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) will be vested in five tranches, each to be vested to Mr. Wong as soon as reasonably practicable after the end of each of the relevant Measurement Period and upon determination by the Board as to whether the vesting conditions have been satisfied for each such tranche and the actual number of Connected Award Shares to be vested under each such tranche.

#### *Conditions*

The issue and allotment of the Connected Award Shares to Mr. Wong shall be subject to the following vesting conditions:

- (i) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the Connected Award Shares under the Specific Mandate;
- (ii) the granting of the listing approval by the Stock Exchange in respect of the Connected Award Shares;
- (iii) he is and remains the Group Chief Executive Officer of the Company; and

## LETTER FROM THE BOARD

- (iv) for each tranche of the Connected Award Shares, the achievement of a compound annual growth rate of not less than 10% (“**Expected Growth Rate**”) on the Initial Benchmark Price based on the Measurement Price for each relevant Measurement Period (“**Growth Performance Condition**”).

In determining whether the Expected Growth Rate is achieved for the purpose of vesting condition (iv) above for each tranche of the Connected Award Shares, the Company will refer to the target price for the relevant financial year (“**Target Price**”) to which each Measurement Period relates, which shall be calculated as follows:

$$\text{Target Price} = \text{Initial Benchmark Price} * (1 + \text{Expected Growth Rate at } 10\%)^n$$

Where,

- (a) The value of n for each relevant financial year are as follows:

<b>Relevant financial year</b>	<b>Value of n</b>
Ending 31 December 2021	n = “a”, which represents the number of days elapsed since the reference date on which the Initial Benchmark Price is determined (i.e. either the Date of Award or the date on which the Award of the Awarded Shares is approved by the Independent Shareholders at the AGM) up to the date on which the annual results for the financial year ending 31 December 2021 are published (both dates inclusive), divided by 365.
Ending 31 December 2022	n = 1+a
Ending 31 December 2023	n = 2+a
Ending 31 December 2024	n = 3+a
Ending 31 December 2025	n = 4+a

The Growth Performance Condition will be satisfied in relation to each tranche of the Connected Award Shares where the Measurement Price for each relevant financial year to which such tranche relates is higher than the Target Price for each such relevant financial year.

## LETTER FROM THE BOARD

### *Actual number of Connected Award Shares to be vested*

An aggregate of up to 9,159,857 Connected Award Shares (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) may be vested to Mr. Wong under each tranche. The actual number of Connected Award Shares to be vested to Mr. Wong under each tranche shall be calculated as follows:

$$\text{Actual number of Connected Award Shares to be vested} = \frac{(\text{Measurement Price} - \text{Target Price}) * 5\% * \text{Total Issued Shares}}{\text{Reference Price}}$$

*Where,*

- (a) “Total Issued Shares” refers to the total number of issued Shares in the capital of the Company as at the end of the relevant Measurement Period.
- (b) “Reference Price” refers to the average closing price of the Shares during the relevant Measurement Period as quoted on the Stock Exchange.

For the purpose of hereof:

“**Initial Benchmark Price**” refers to the higher of (i) the average closing price of the Shares during the trading days within the thirty calendar days immediately preceding the Date of Award as quoted on the Stock Exchange, or (ii) the average closing price of the Shares during the trading days within the thirty calendar days immediately preceding the date on which the Award of the Connected Award Shares is approved by the Independent Shareholders at the AGM as quoted on the Stock Exchange (in both cases subject to adjustment in the event of sub-division, consolidation or bonus issue of Shares).

“**Measurement Period**” refers to, in relation to each tranche of the Connected Award Shares, the trading days within the thirty calendar days immediately after the date on which the annual results for the relevant financial year are published by the Company on the Stock Exchange. The relevant financial year for each tranche is as follows:

First tranche:	Financial year ending 31 December 2021
Second tranche:	Financial year ending 31 December 2022
Third tranche:	Financial year ending 31 December 2023
Fourth tranche:	Financial year ending 31 December 2024
Fifth tranche:	Financial year ending 31 December 2025

## LETTER FROM THE BOARD

“**Measurement Price**” refers to, in relation to each tranche of the Connected Award Shares, the average closing price of the Shares during the relevant Measurement Period as quoted on the Stock Exchange, plus the amount of dividends and other distributions per Share paid or in respect of which an ex-dividend event occurred during the relevant financial year.

### **Further Details of the Award of the Connected Award Shares**

The information in relation to the Award of up to 45,799,285 Connected Award Shares to Mr. Wong, is set out below:

**Securities to be issued:** Up to 45,799,285 new Shares (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme)

**Funds to be raised:** No fund will be raised by the Company as a result of the issue and allotment of the Connected Award Shares

**Identity of the allottee:** Mr. Wong

**Market price of the Shares:** The closing price of the Shares as at 31 March 2021 as quoted on the Stock Exchange is HK\$11.80 per Share.

The average closing price of the Shares for the five consecutive trading days immediately preceding 31 March 2021 as quoted on the Stock Exchange is HK\$12.788 per Share.

The average closing price of the Shares during the trading days within the thirty calendar days immediately preceding 31 March 2021 as quoted on the Stock Exchange is approximately HK\$12.95 per Share.

The closing price of the Shares as at the Latest Practicable Date as quoted on the Stock Exchange is HK\$10.40 per Share.

## LETTER FROM THE BOARD

**Vesting:**

Subject to the terms and conditions of the rules of the Scheme and the satisfaction of the vesting conditions, up to 45,799,285 Connected Award Shares (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares) will be vested in five tranches, each to be vested to Mr. Wong as soon as reasonably practicable after the end of each of the relevant Measurement Period and upon determination by the Board as to whether the vesting conditions have been satisfied for each such tranche and the actual number of Connected Award Shares to be vested under each such tranche.

The Company may delay the issue and allotment of any Connected Award Shares in part or in full if such issue and allotment would trigger the mandatory offer requirement under Rule 26 of the Takeovers Code (the “**MO Requirement**”), but shall issue and allot any such delayed Connected Award Shares as soon as reasonably practicable when it becomes possible to do so without triggering the MO Requirement. Accordingly, where the vesting conditions have been fulfilled in relation to a relevant tranche of Connected Award Shares but where the issue and allotment thereof would trigger the MO Requirement, it is intended by the Company that such number of Connected Award Shares under the relevant tranche will be issued to the extent that the MO Requirement will not be triggered, and the issue of the balance of the Connected Award Shares under such relevant tranche will be delayed until it becomes possible to do so without triggering the MO Requirement. None of the Connected Award Shares under such relevant tranche will lapse as a result of any delay due to the MO Requirement.

**Fundraising activities  
in the past 12  
months:**

The Company has not engaged in any fund raising exercises in the 12 months immediately preceding the Latest Practicable Date.

**Reasons for the Award of the Connected Award Shares**

The Scheme forms part of the incentive schemes of the Group. The Board considers that the Award of the Connected Award Shares to Mr. Wong provides reward to Mr. Wong for the past business performance of the Group and also incentives to Mr. Wong to achieve the objectives of increasing the value of the Company and further align the interests of Mr. Wong directly to the Shareholders through increased direct ownership of Shares.

## LETTER FROM THE BOARD

### *Business performance of the Group*

The Board considers that the Award of the Connected Award Shares provides reward to Mr. Wong for the past business performance of the Group.

The Group is principally engaged in (i) the provision of multimedia production and contents distribution as well as operating a 24-hour online shopping mall providing a “one-stop shop” platform including online shopping, delivery service and an impressive customer experience; and (ii) the provision of technology on an integrated end-to-end eCommerce solution including hardware and software systems as a service, aiming to enable traditional supermarkets or retailers locally and globally to enter into digital retailing successfully (“**Solution Business**”).

Mr. Wong is the co-founder of the Group and is the Group Chief Executive Officer, and is primarily responsible for overall strategic planning and management of the Group as well as the business direction of the Hong Kong and international business operations of the Group. Under the leadership of Mr. Wong, the Group has seen a rapid growth in its business performance during the past three years.

During the year ended 31 December 2019, the Group’s total gross merchandise value (“**GMV**”) on order intake, average daily order number and combined number of unique customers reached HK\$2,779.1 million, 15,100 and 823,000 respectively in 2019, representing a year-on-year growth of approximately 46.9%, 46.6% and 21.0%. The turnover of the Group increased by approximately 57.7% from approximately HK\$896.4 million for the year ended 31 December 2018 to approximately HK\$1,414.0 million. Despite the Group continued to record loss in 2019, after excluding interest on bank loans, income tax expense, depreciation of property, plant and equipment (excluding depreciation of other properties leased for own use after the adoption of HKFRS 16), amortisation of intangible assets, investment returns, gain on disposal of a subsidiary in 2018, and major non-cash items (“**Adjusted EBITDA**”), the Group incurred Adjusted EBITDA loss of HK\$216.0 million for the year ended 31 December 2019 versus Adjusted EBITDA loss of HK\$271.4 million in 2018, representing a significant improvement of HK\$55.4 million.

During the year ended 31 December 2020, leveraging on the infrastructure and capability built over the past six years, the Group was able to capture the growth opportunity due to consumers’ accelerated shift of their purchasing habit from offline to online, and recorded drastic growth in 2020. The Group’s total GMV on order intake, average daily order number and combined number of unique customers reached HK\$5,953.7 million, 32,300 and 1,107,000 respectively, representing a year-on-year growth of approximately 114.2%, 113.9% and 34.5%, respectively. As a result of the significant growth in operation performance, turnover of the Group doubled to approximately HK\$2,877.9 million in 2020. The Group also turned from loss to profit in 2020, and recorded net profit and Adjusted EBITDA of approximately HK\$183.6 million and HK\$307.0 million respectively for the year ended 31 December 2020.

## LETTER FROM THE BOARD

### *Future developments of the Group*

The Board considers that the Award of the Connected Award Shares provides incentives to Mr. Wong to lead the future developments and direction of the Group.

The Group's eCommerce business has leapfrogged and transformed from an "online supermarket" since its establishment as such in 2015 into an "online shopping mall" now, serving over a million consumers and more than 4,200 global and local brand owners, authorised distributors and retailers. Under the vision of Mr. Wong, the Group is continuing to strive to build a sustainable digital ecosystem for the long term through the planned launch of various innovative projects including further phases of Open Databank and in-app live shopping channels as well as HKTV express (1-hour delivery option) and EcoMart (pre-owned goods marketplace).

Furthermore, as announced in August 2020, Mr. Wong also led the Group into a new business segment, its Solution Business. Under the Group's Solution Business, Mr. Wong also leads the international business and research and development teams in Hong Kong and overseas in full force to drive for the adoption of the Group's end-to-end online food and shopping mall solution in Hong Kong and anywhere in the world. In December 2020, the Group has entered into a definitive eCommerce solution agreement with a retail group in Hong Kong and the Group will provide the hardware and software system as a service to the retail group to support the set-up of its online shopping mall. Based on the latest progress, it is expected to be launched in Q3 or Q4 2021.

### *Mr. Wong as the core figure of the Group*

Mr. Wong's creativity and extensive knowledge and experience in driving successful technical development and commercial deployment is indispensable and not replaceable for the Group's eCommerce Business and Solution Business. Considering the growth in past business performance and the expected future growth, as well as the venture into the new business segment of Solution Business under the leadership of Mr. Wong, he is essentially the core figure of the Group who has made substantial contribution to the Group and is closely connected with the performance and future development of the Group.

The Board considers that the Award of the Connected Award Shares to Mr. Wong recognizes his expertise which will support the Group's business expansion and will allow the Group to encourage and retain Mr. Wong to work with the Group, and secure his long term support and commitment to the Group. In turn, Mr. Wong's long term support and effort will further promote the Group's future development.



## LETTER FROM THE BOARD

### *Alignment with Shareholders' interest*

Furthermore, based on the Growth Performance Condition for the vesting of the Connected Award Shares, in order for Mr. Wong to have the Connected Award Shares to vest in full, the Share price has to reach approximately 24% over the Target Price during each of relevant Measurement Periods. Accordingly, the Award and the economic benefits of the Connected Award Share are dependent on the improvement in the price of the Shares and hence Mr. Wong can only benefit when all the Shareholders are also in a position to benefit from the increase in Share price. In addition, as the Award of the Connected Award Shares will vest over a period of five years, Mr. Wong's interests will be further aligned with that of the Shareholders in increasing the value of the Company and price of the Shares over a sustained period.

### *No cash outflow under the Award of the Connected Award Shares*

The Award of the Connected Award Shares will enable the Company to obviate cash outflow while allowing long-term incentives to Mr. Wong to make future contribution to the operation of the Group and drive the Group's performance, as compared to other alternatives which have been considered by the Board including but not limited to commission plans and other cash incentives.

### *Dilution effect not material*

As at the Latest Practicable Date, the total number of Shares in issue was 916,080,893 Shares, among which 509,601,953 Shares or approximately 55.6% of the Shares in issue were held by the public Shareholders. Assuming there are no changes to the number of Shares in issue and Mr. Wong is able to meet the vesting conditions for each tranche, immediately after the allotment and issue of the maximum number of each tranche of 9,159,857 Connected Award Shares to Mr. Wong, the shareholding of the public Shareholders will only be slightly diluted from approximately 55.6% by the following:

<b>After allotment and issue of the maximum number of each tranche of 9,159,857 Connected Awarded Shares</b>	<b>Maximum dilution from corresponding tranche to public Shareholders by</b>
First tranche	Approximately 0.6%
Second tranche	Approximately 0.5%
Third tranche	Approximately 0.5%
Fourth tranche	Approximately 0.5%
Fifth tranche	Approximately 0.5%

## LETTER FROM THE BOARD

Meanwhile, the Share price has to reach approximately 24% over the Target Price for each tranche of Connected Award Shares to be vested in full. Overall, the shareholding of the public Shareholders will be diluted from approximately 55.6% to approximately 53.0% in 5-years' time. Accordingly, in the circumstances Mr. Wong were to be allotted the maximum number of Connected Award Shares, hypothetically, the public Shareholders will be able to enjoy a cumulative appreciation in the price of the Shares of at approximately 2 times at a "cost" of dilution of only 2.6% in a period of approximately five years.

The Board also considered the grant of share options to Mr. Wong as an alternative to provide incentives to Mr. Wong, but given Mr. Wong would be required to pay the exercise price upon exercise of the share options and as such significantly higher number of share options would need to be granted to Mr. Wong to provide the comparable incentives as the Award of Connected Award Shares, thereby resulting in higher dilution impact on the shareholding interests of the public Shareholders, the Board considers the grant of share options to be a less desirable alternative compared to the Award of the Connected Award Shares.

Having considered (i) the past contribution by Mr. Wong to the Group's business performance; (ii) the expected future developments of the Group under Mr. Wong's leadership; (iii) Mr. Wong's qualifications and track record, his essentiality to the Group, and the need to secure his long term support and commitment to the Group; (iv) that the Award of the Connected Award Shares is conditional upon the achievement of the Expected Growth Rate and will vest over a period of five years; (v) that there will not be any actual cash outflow by the Group under the Award of the Connected Award Shares in providing incentives to Mr. Wong; and (vi) that the dilution effect on the public Shareholders' shareholding is not material, the Directors consider that the terms and conditions of the Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

### Effect on the Issue of the Connected Award Shares on Shareholding Structure

As at the Latest Practicable Date, the total number of Shares in issue was 916,080,893 Shares. Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Connected Award Shares, assuming that (a) all Connected Award Shares will be issued and allotted to Mr. Wong; and (b) there are no changes to the number of Shares in issue other than changes as a result of the issue and allotment of the Connected Award Shares:

Shareholders	As at the Latest Practicable Date		Immediately after the issue and allotment of the Connected Award Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Wong (Note 1)	355,051,177	38.8	400,850,462	41.7
Mr. Cheung (Note 2)	51,377,763	5.6	51,377,763	5.3
Ms. Wong Nga Lai, Alice	50,000	0	50,000	0
Public Shareholders	<u>509,601,953</u>	<u>55.6</u>	<u>509,601,953</u>	<u>53.0</u>
Total	<u><u>916,080,893</u></u>	<u><u>100</u></u>	<u><u>961,880,178</u></u>	<u><u>100</u></u>

Notes:

- Top Group International Limited, which holds 355,051,177 Shares, is a corporation accustomed to act in accordance with the directions of Mr. Wong, Vice Chairman and Group Chief Executive Officer of the Company and an executive Director.
- As at the Latest Practicable Date, Mr. Cheung, is interested in 51,377,763 Shares, of which 24,924,339 Shares are held by Worship Limited which is 50% owned by Mr. Cheung.

### Listing Rules Implications

Mr. Wong is an executive Director of the Company and is interested in approximately 38.8% of the issued share capital of the Company through Top Group International Limited, and is accordingly a Connected Person (as defined in Chapter 14A of the Listing Rules) to the Company and the Award of up to 45,799,285 Connected Award Shares to Mr. Wong under the Scheme shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wong and Mr. Cheung (a first cousin of Mr. Wong) and their respective Associates are required to abstain from voting on the resolution(s) to approve the Award of the Connected Award Shares and the transactions contemplated thereunder at the AGM. As at the Latest Practicable Date, so far as the Directors were aware and based on available information, Mr. Wong and his Associates control or are entitled to exercise control over the voting rights in respect 355,051,177 Shares and Mr. Cheung and his

## LETTER FROM THE BOARD

Associates control or are entitled to exercise control over the voting rights in respect of 51,377,763 Shares, respectively representing approximately 38.8% and approximately 5.6% of the total issued share capital of the Company.

Save for the aforesaid and to the best knowledge, information and belief of the Board, no other Shareholder is required to abstain from voting on the resolution(s) to approve the Award of the Connected Award Shares and the transactions contemplated thereunder at the AGM.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the Award of the Connected Award Shares to Mr. Wong is on normal commercial terms, and in the ordinary and usual course of business of the Group and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Lego Corporate Finance Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **V. PROPOSED CHANGE OF COMPANY NAME**

Reference is made to the announcement of the Company dated 30 March 2021 in relation to the Proposed Change of Company Name.

The Board proposes to change the English name of the Company from “Hong Kong Television Network Limited” to “Hong Kong Technology Venture Company Limited” and the Chinese name of the Company from “香港電視網絡有限公司” to “香港科技探索有限公司”.

#### **Conditions of the Proposed Change of Company Name**

The Proposed Change of Company Name is subject to satisfaction of the following conditions:

- (i) the passing of the special resolution by the Shareholders approving the Proposed Change of Company Name at the Company’s AGM; and
- (ii) the Companies Registry in Hong Kong approving the proposed new English and Chinese names of the Company.

Subject to the satisfaction of the conditions set out above, the Proposed Change of Company Name will take effect from the date on which the certificate of change of name is issued by the Companies Registry in Hong Kong. The Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong.

#### **Reasons for the Proposed Change of Company Name**

The Group is principally engaged in the provision of multimedia production, contents distribution and operating HKTVmall, a 24-hour online shopping mall platform, as well as being engaged in its new business segment — the Solution Business. The Solution Business offers technology solutions through innovation, robotic systems, cloud

## LETTER FROM THE BOARD

platforms, big data, etc., as well as innovative solutions to transform traditional models for retailing and eCommerce. Whether in the past in the telecommunications industry, or currently in the multimedia and eCommerce retailing space, the Group has always led changes with technology, to bring innovation and new mindsets to change the rules of the game for the industry. In the future, the Group will continue to pay attention to technology research and development, as “technology DNA” has always remained to be our key success factor, no matter in the past or the future. As such, the Board considers that the Proposed Change of Company Name could more accurately reflect the principal activities and core direction of future development of the Group, and also provide the Company with a new corporate image and identity. The Board is of the opinion that the Change of Company Name will clearly benefit the Company’s future business development and is in the best interests of the Company and the Shareholders as a whole.

### **Effects of the Proposed Change of Company Name**

The Proposed Change of Company Name will not affect any rights of the existing holders of the securities of the Company or the Company’s daily business operation and its financial position. All existing certificates of securities in issue bearing the present name of the Company shall, upon the change of name of the Company becoming effective, continue to be evidence of title to such securities and the existing share certificates will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for free exchange of the existing share certificates of the Company for new share certificates bearing the Company’s new name. Once the Proposed Change of Company Name becomes effective, new share certificates of the Company will be issued in the new name of the Company.

A further announcement regarding, inter alia, the effective date on which trading in the securities of the Company under the new name of the Company on the Stock Exchange will be made as and when the new name of the Company take effect.

## **VI. AGM**

Notice of AGM is set out on pages 60 to 64 of this circular. The AGM to be held on, Wednesday, 9 June 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Whether or not you are able to attend and vote at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same 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 as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meetings should you so wish.

## **LETTER FROM THE BOARD**

### **VII. VOTING PROCEDURES BY SHAREHOLDERS**

Pursuant to Rule 13.39(4) of the Listing Rules, any votes 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). The chairman of the AGM will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 71 of the Articles. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **VIII. RESPONSIBILITY STATEMENT**

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

### **IX. RECOMMENDATION**

The Directors consider that all the resolutions proposed in respect of the above, including the proposals for (i) the grant of the General Mandates; (ii) the re-election of the retiring Directors; (iii) the Award of the Connected Award Shares and the grant of the Specific Mandate; and (iv) the Proposed Change of Company Name are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend all Shareholders to vote in favour of all the resolutions set out in the Notice of AGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 30 to 31 of this circular which contains its recommendation to the Independent Shareholders as to voting at the AGM in relation to the Award of the Connected Award Shares; and (ii) the letter from Lego Corporate Finance Limited, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Award of the Connected Award Shares and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Lego Corporate Finance Limited is set out on pages 32 to 48 of this circular.

The Independent Board Committee, having taken into account the advice of Lego Corporate Finance Limited, considers that although the Award of the Connected Award Shares is not in the ordinary and usual course of business of the Group, it is incidental to the Group's development of its ordinary and usual course of business, and the terms of the Award of the Connected Award Shares are on normal commercial terms, fair and reasonable and the Award of the Connected Award Shares is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM in relation to the Award of the Connected Award Shares.

**LETTER FROM THE BOARD**

**X. GENERAL INFORMATION**

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

In the event of inconsistency, the English text of this circular and the enclosed form of proxy shall prevail over the Chinese text.

Yours faithfully,  
By Order of the Board  
**Hong Kong Television Network Limited**  
**Cheung Chi Kin, Paul**  
*Chairman*



**Hong Kong Television Network Limited**  
**香港電視網絡有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
(Stock Code: 1137)

10 May 2021

*To the Independent Shareholders:*

Dear Sir or Madam,

**CONNECTED TRANSACTION**  
**RELATING TO**  
**GRANT OF AWARD TO A CONNECTED PERSON**  
**UNDER THE SHARE AWARD SCHEME**

We refer to the circular of the Company dated 10 May 2021 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you on whether the terms of the Award of the Connected Award Shares are on normal commercial terms and fair and reasonable and whether the Award of the Connected Award Shares is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole and how to vote on the resolutions regarding the Award of the Connected Award Shares.

Lego Corporate Finance Limited has been appointed to advise us and the Independent Shareholders as to such matters. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 32 to 48 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 8 to 29 of the Circular and the additional information set out in the Appendices to the Circular.



**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Having considered the terms and conditions of the Award of the Connected Award Shares and the advice of Lego Corporate Finance Limited, we are of the opinion that although the Award of the Connected Award Shares is not in the ordinary and usual course of business of the Group, it is incidental to the Group's development of its ordinary and usual course of business, and the terms of the Award of the Connected Award Shares are on normal commercial terms, fair and reasonable and the Award of the Connected Award Shares is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the Award.

Yours faithfully,  
Independent Board Committee of  
**Hong Kong Television Network Limited**

**Lee Hon Ying, John**

**Peh Jefferson Tun Lu**

**Mak Wing Sum, Alvin**

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of a letter of advice from Lego Corporate Finance, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the grant of Awarded Shares to a connected person.*



10 May 2021

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs or Madams,

### **CONNECTED TRANSACTION RELATING TO GRANT OF AWARDED SHARES TO A CONNECTED PERSON UNDER THE SHARE AWARD SCHEME**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of Connected Award Shares to a connected person under the Share Award Scheme, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 10 May 2021 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 31 March 2021, the Board resolved to conditionally award up to 45,799,285 Connected Award Shares (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) to Mr. Wong, who is an executive Director, the Vice-Chairman, the Group Chief Executive Officer and a substantial shareholder of the Company, under the Scheme, subject to the approval by the Independent Shareholders at the AGM. Subject to the terms and conditions of the rules of the Scheme and the satisfaction of the vesting conditions, the Connected Award Shares will be vested in five tranches in relation to five financial years ending 31 December 2021, 2022, 2023, 2024 and 2025.

Each tranche of up to 9,159,857 Connected Award Shares represent up to 1% of the total number of Shares in issue as at the Date of Award. As at the Latest Practicable Date, the aggregate of up to 45,799,285 Connected Award Shares to be issued and allotted by the Company to Mr. Wong represent approximately 5.0% of the total number of Shares in issue and approximately 4.8% of the total number of Shares in issue as enlarged by the issue and allotment of maximum number of the Connected Award Shares, assuming that there will be no

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

other changes in the total number of issued Shares of the Company between the date of this Circular and the completion date of issue and allotment of the maximum number of the Connected Award Shares.

As at the Latest Practicable Date, Mr. Wong is an executive Director and a substantial shareholder of the Company, and is accordingly a connected person (as defined in Chapter 14A of the Listing Rules) to the Company and the Award of up to 45,799,285 Connected Award Shares to Mr. Wong under the Scheme shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Wong and Mr. Cheung and their respective Associates are required to abstain from voting on the resolution at the AGM to approve the Award of the Connected Award Shares and the grant of the Specific Mandate.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu and Mr. Mak Wing Sum, Alvin, has been established to advise the Independent Shareholders as to whether the Award of the Connected Award Shares is on normal commercial terms, and conducted in the ordinary and usual course of business of the Group, and that the terms are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect of the relevant resolution to be proposed at the AGM to approve the Award of the Connected Award Shares, the grant of the Specific Mandate and the transactions contemplated thereunder. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

As at the Latest Practicable Date, Lego Corporate Finance did not have any relationships or interests with the Company that could reasonably be regarded as relevant to the independence of Lego Corporate Finance. In the last two years, there was no engagement between the Group and Lego Corporate Finance. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the Award of the Connected Award Shares and the transactions contemplated thereunder.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the management of the Group, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date. In addition, the Company shall inform the Independent Shareholders of any material change of information in the Circular between the Latest Practicable Date and the date of the AGM.

We consider that we have reviewed the sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, its subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

#### 1. Background of and reasons for the Award of the Connected Award Shares

##### *1.1 Information on the Group*

The Group is principally engaged in (i) the provision of multimedia production and contents distribution as well as operating a 24-hour online shopping mall providing a “one-stop shop” platform including online shopping, delivery service and an impressive customer experience; and (ii) the provision of technology on an integrated end-to-end eCommerce solution including hardware and software systems as a service, aiming to enable traditional supermarkets or retailers locally and globally to enter into digital retailing successfully (“**Solution Business**”).

The following table summarises the audited financial information of the Group for the three years ended 31 December 2018, 2019 and 2020 as extracted from the

<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b>
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annual report of the Company for the year ended 31 December 2020 (“**2020 Annual Report**”) and the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”):

	<b>For the year ended 31 December</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2,877,884	1,413,958	896,374
Other operating expenses	(1,330,916)	(893,285)	(737,567)
Profit/(Loss) before taxation	184,141	(289,967)	(132,758)
Profit/(Loss) for the year	183,581	(289,913)	(133,095)

Set out below are the key operating results of the Group for the three years ended 31 December 2018, 2019 and 2020 as extracted from the 2020 Annual Report and the 2019 Annual Report:

	<b>For the year ended 31 December</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Gross merchandise value (“ <b>GMV</b> ”) on order intake ( <i>HK\$'000</i> )	5,953,693	2,779,070	1,891,256
Average daily order number (rounded to the nearest hundred)	32,300	15,100	10,300
Combined unique customers (rounded to the nearest thousand)	1,107,000	823,000	680,000

With reference to the above table, turnover of the Group increased by approximately 57.7% from approximately HK\$896.4 million for the year ended 31 December 2018 to approximately HK\$1,414.0 million for the year ended 31 December 2019. According to the 2019 Annual Report, such increase was mainly attributable to growth in direct merchandise sale and concessionaire sales and other service income from approximately HK\$685.9 million and HK\$197.4 million for the year ended 31 December 2018 to approximately HK\$1,101.0 million and HK\$302.8 million for the year ended 31 December 2019, respectively. Coped with a range of marketing campaign launched, the Group has maintained a growth momentum in its eCommerce business during 2019 while Hong Kong’s value of total retail sales of the same year has decreased by approximately 11.1% across all product categories except for commodities in supermarkets and fuels. In particular, the Group’s total GMV on order intake, average daily order number and combined number of unique customers reached HK\$2,779.1 million, 15,100 and 823,000 respectively in 2019, representing a year-on-year of approximately 46.9%, 46.6% and 21.0%, respectively. In line with the increase in turnover, the Group’s other operating expenses, which comprised, among others, fulfillment costs, marketing, promotional and offline-to-online (O2O) shop operating expenses and eCommerce operation and supporting costs, also increased in 2019. Nonetheless, the increase in other operating expenses

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

were significantly less than the increase in turnover, and total other operating expenses as a percentage of GMV on completed orders has also improved by approximately 7.2% in 2019 versus 2018, which represented an overall improvement in profitability. Despite the Group continued to record loss in 2019, after excluding interest on bank loans, income tax expense, depreciation of property, plant and equipment (excluding depreciation of other properties leased for own use after the adoption of HKFRS 16), amortisation of intangible assets, investment returns, gain on disposal of a subsidiary in 2018, and major non-cash items (“**Adjusted EBITDA**”), the Group incurred an Adjusted EBITDA loss of HK\$216.0 million in 2019 versus Adjusted EBITDA loss of HK\$271.4 million in 2018, representing a significant improvement of HK\$55.4 million in 2019.

During the year ended 31 December 2020, leveraged on the infrastructure and capability built over the past six years, the Group was able to capture the growth opportunity due to consumers’ accelerated shift of their purchasing habit from offline to online, and recorded drastic growth in 2020. In 2020, the Group’s total GMV on order intake, average daily order number and combined number of unique customers reached HK\$5,953.7 million, 32,300 and 1,107,000 respectively, representing a year-on-year growth of approximately 114.2%, 113.9% and 34.5%, respectively. As a result of the significant growth in operation performance, turnover of the Group doubled to approximately HK\$2,877.9 million in 2020, with substantial growth recorded in all of direct merchandise sale, concessionaire sales and other service income, and multimedia advertising income and licensing of programme rights, which amounted to approximately HK1,970.3 million, HK\$883.8 million and HK\$23.8 million for the year ended 31 December 2020, respectively, representing growth of approximately 79.0%, 191.9% and 133.3% respectively as compared to the prior year. While the number of order intake surged, the Group was also able to further improve the cost-effectiveness of the other operating expenses, which was primarily attributable to the full year operation of the automated picking and warehousing system at Tseung Kwan O Headquarter which launched in March 2019 and the launch of the cross-belt sorter system in Tuen Mun fulfilment centre in February 2020. In light of the above, the Group turnaround from loss to profit, and recorded net profit and Adjusted EBITDA of approximately HK\$183.6 million and HK\$307.0 million respectively for the year ended 31 December 2020.

### *1.2 Reasons for the Award of the Connected Award Shares*

On 31 March 2021, the Company has adopted the Scheme with the purposes and objectives to recognise the contributions by certain Eligible Persons and to provide them with incentives in order to retain them to strive for the future development and expansion of the Group by aligning their interests directly to that of the Shareholders, and to attract suitable personnel for further development of the Group. On the same date, the Board has also resolved to award an aggregate of up to 45,799,285 Connected Award Shares (subject to adjustment in the event of any subdivision, consolidation or bonus issue of Shares in accordance with the rules of the

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Scheme) to Mr. Wong, who is an executive Director, the Vice-Chairman, the Group Chief Executive Officer and a substantial shareholder of the Company, under the Scheme, subject to the approval by the Independent Shareholders at the AGM.

As at the Latest Practicable Date, the aggregate of up to 45,799,285 Connected Award Shares to be issued and allotted by the Company to Mr. Wong represent approximately 5.0% of the total number of Shares in issue and approximately 4.8% of the total number of Shares in issue as enlarged by the issue and allotment of maximum number of the Connected Award Shares, assuming that there will be no other changes in the total number of issued Shares of the Company between the date of this Circular and the completion date of issue and allotment of the maximum number of the Connected Award Shares.

As set out in the Letter from the Board, the Scheme forms part of the incentive schemes of the Group. The Board considers that the Award of the Connected Award Shares to Mr. Wong provides incentives to Mr. Wong to achieve the objectives of increasing the value of the Company and further aligning the interests of Mr. Wong directly to the Shareholders through increased direct ownership of Shares.

### *Business performance of the Group*

The Board considers that the Award of the Connected Award Shares provides reward to Mr. Wong for the past business performance of the Group. Mr. Wong is the co-founder of the Group and is the Group Chief Executive Officer, and is primarily responsible for overall strategic planning and management of the Group, as well as the business direction of the Hong Kong and international business operations of the Group. Under the leadership and following the vision of Mr. Wong, the Group has seen a rapid growth in its business performance during the past three years, details of which were set out in the paragraph headed “Information on the Group” above.

### *Future development of the Group*

The Board considers that the Award of the Connected Award Shares provides incentives to Mr. Wong to lead the future developments and direction of the Group. The Group’s eCommerce business has leapfrogged and transformed from an “online supermarket” since its establishment as such in 2015 into an “online shopping mall” now, serving over a million consumers and more than 4,200 global and local brand owners, authorised distributors and retailers. Under the vision of Mr. Wong, the Group is continuing to strive to build a sustainable digital ecosystem for the long term through the planned launch of various innovative projects, including further phases of Open Databank and in-app live shopping channels as well as HKTV express (1-hour delivery option) and EcoMart (pre-owned goods marketplace).



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Furthermore, as announced by the Company in August 2020, Mr. Wong also led the Group into a new business segment, its Solution Business. Under the Group's Solution Business, Mr. Wong also leads the international business and research and development teams in Hong Kong and overseas in full force to drive for the adoption of the Group's end-to-end online food and shopping mall solution in Hong Kong and anywhere in the world. In December 2020, the Group has entered into a definitive eCommerce solution agreement with a retail group in Hong Kong and the Group will provide the hardware and software system as a service to the retail group to support the set-up of its online shopping mall. Based on the latest progress, it is expected to be launched in Q3 or Q4 2021.

In assessing the fairness and reasonableness of the Award of the Connected Award Shares to Mr. Wong, we have reviewed a number of publications on various media to understand the role and achievements of Mr. Wong. Mr. Wong has co-founded the Company under the former name of City Telecom (H.K.) Limited in Hong Kong to commence the provision of alternative international direct dialing (IDD) services at affordable tariffs in 1992, which broke the predominant market monopoly of PCCW Limited at the material time. Mr. Wong brought the Company to be listed on the Stock Exchange in 1997 and the American Depository Receipt (ADR) listed on NASDAQ in 1999. In 1999, Mr. Wong established Hong Kong Broadband Network Limited (HKBN) to provide broadband internet services and Mr. Wong differentiated the broadband internet services of HKBN by building a territory-wide fibre network to provide high-speed broadband, while the other internet services providers adopted the asymmetric digital subscriber line (ADSL) service of PCCW Limited, which ultimately led HKBN to become the second largest internet service provider in Hong Kong. In 2009, the Company applied for a domestic free television program service licence but was subsequently rejected in 2013. As a result, operations of the Group was adversely affected. Nonetheless, following the rejection, Mr. Wong led the Company to shift the business to the existing eCommerce business and launched the online shopping platform "HKTVmall" in 2015. Currently, HKTVmall is the largest online shopping platform in Hong Kong.

Based on the above, we noted that Mr. Wong was the key person of the Group with foresight in various industries that drove the development of the Group with new businesses and differentiates the Group from competitors, and Mr. Wong had proven track record of starting up new business successfully under harsh environment. As the Group is commencing the Solution Business with an aim to promote the business locally and globally, at which Mr. Wong currently leads the international business and research and development teams in Hong Kong and overseas in full force to drive for the adoption of the Group's end-to-end online food and shopping mall solution in Hong Kong and anywhere in the world, we concur with the Directors that Mr. Wong's creativity and extensive knowledge and experience in driving successful technical development and commercial deployment is indispensable.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Mr. Wong as the core figure of the Group*

Mr. Wong's creativity and extensive knowledge and experience in driving successful technical development and commercial deployment is indispensable and not replaceable for the Group's eCommerce Business and Solution Business. Considering the growth in past business performance and the expected future growth, as well as the venture into the new business segment of Solution Business under the leadership of Mr. Wong, he is essentially the core figure of the Group who has made substantial contribution to the Group and is closely connected with the performance of the Group. The Award of the Connected Award Shares to Mr. Wong recognises his expertise which will support the Group's business expansion and his long term support and commitment to the Group and his effort will promote the Group's future development.

The Board considers that the Award of the Connected Award Shares to Mr. Wong recognises his expertise which will support the Group's business expansion and will allow the Group to encourage and retain Mr. Wong to work with the Group, and secure his long term support and commitment to the Group. In turn, Mr. Wong's long term support and effort will further promote the Group's future development.

### *Alignment with Shareholders' interest*

Furthermore, based on the Growth Performance Condition for the vesting of the Connected Award Shares, in order for Mr. Wong to have the Connected Award Shares to vest in full, the Share price has to reach approximately 24% over the Target Price during each of relevant Measurement Periods. Accordingly, the Award and the economic benefits of the Connected Award Share are dependent on the improvement in the price of the Shares and hence Mr. Wong can only benefit when all the Shareholders are also in a position to benefit from the increase in Share price. In addition, as the Award of the Connected Award Shares will vest over a period of five years Mr. Wong's interests will be further aligned with that of the Shareholders in increasing the value of the Company and price of the Shares over a sustained period.

As the Award of Connected Award Shares to Mr. Wong is subject to the performance of the Share price, which further aligns Mr. Wong's interests with the Group and in turns promote the business development of the Group, we are of the view that the Award of Connected Award Shares to Mr. Wong is in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *No cash outflow under the Award of the Connected Award Shares*

The Award of the Connected Award Shares will enable the Company to obviate cash outflow while allowing long-term incentives to Mr. Wong to make future contribution to the operation of the Group and drive the Group's performance, as compared to other alternatives which have been considered by the Board including but not limited to commission plans and other cash incentives.

We have also discussed with the management of the Company regarding the benefits of the Award of Connected Award Shares as an incentive. They have considered several methods of providing incentives to Mr. Wong, including but not limited to commission plans, share options or other cash incentives based on other performance indicators as well as the Award of the Connected Award Shares. After careful consideration of the various alternatives, the Directors consider the Award of the Connected Award Shares to be the most appropriate given that, as opposed to the other alternatives which do not directly correlated to the benefits of the Shareholders or resulted in higher dilution impact on the shareholding interests of the public Shareholders, the Award of the Connected Award Shares will enable the Company to obviate cash outflow while allowing added long-term incentives to Mr. Wong to make future contribution to the operation of the Group and drive the Group's performance.

### *Dilution effect not material*

As at the Latest Practicable Date, the total number of Shares in issue was 916,080,893 Shares, among which 509,601,953 Shares or approximately 55.6% of the Shares in issue were held by the public Shareholders. Assuming there are no changes to the number of Shares in issue and Mr. Wong is able to meet the vesting conditions for each tranche, immediately after the allotment and issue of the maximum number of each tranche of 9,159,857 Connected Award Shares to Mr. Wong, the shareholding of the public Shareholders will only be slightly diluted from approximately 55.6% by the following:

<b>After allotment and issue of the maximum number of each tranche of 9,159,857 Connected Award Shares</b>	<b>Maximum dilution from corresponding tranche to public Shareholders by</b>
First tranche	Approximately 0.6%
Second tranche	Approximately 0.5%
Third tranche	Approximately 0.5%
Fourth tranche	Approximately 0.5%
Fifth tranche	Approximately 0.5%

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Meanwhile, the Share price has to reach approximately 24% over the Target Price for each tranche of Connected Award Shares to be vested in full. Overall, the shareholding of the public Shareholders will be diluted from approximately 55.6% to approximately 53.0% in 5-years' time. Accordingly, in the circumstances Mr. Wong were to be allotted the maximum number of Connected Award Shares, hypothetically, the public Shareholders will be able to enjoy a cumulative appreciation in the price of the Shares of approximately 2 times at a "cost" of dilution of only 2.6% in a period of approximately five years.

The Board also considered the grant of share options to Mr. Wong as an alternative to provide incentives to Mr. Wong, but given Mr. Wong would be required to pay the exercise price upon exercise of the share options and as such significantly higher number of share options would need to be granted to Mr. Wong to provide the comparable incentives as the Award of Connected Award Shares, thereby resulting in higher dilution impact on the shareholding interests of the public Shareholders, the Board considers the grant of share options to be a less desirable alternative compared to the Award of the Connected Award Shares.

Having considered (i) the past contribution by Mr. Wong to the Group's business performance; (ii) the expected future developments of the Group under Mr. Wong's leadership; (iii) Mr. Wong's qualifications and track record, his essentiality to the Group, and the need to secure his long term support and commitment to the Group; (iv) that the Award of the Connected Award Shares is conditional upon the achievement of the Expected Growth Rate on the Initial Benchmark Price and vest over a period of five years; (v) that there will not be any actual cash outflow by the Group under the Award of the Connected Award Shares in providing incentives to Mr. Wong; and (vi) that the dilution effect on the public Shareholders' shareholding is not material, the Directors consider that the terms and conditions of the Award of the Connected Award Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

In view of the foregoing reasons for and possible benefits of the Award of the Connected Award Shares to Mr. Wong, in particular that the enhancement of the Group's performance under the leadership of Mr. Wong has to be recognised by the market and reflected in the Share price such that Mr. Wong can gain his reward only when Shareholders will be benefited directly as a result, and that the Award of the Connected Award Shares would results in lower dilution impact on the shareholding interests of the public Shareholders to provide the comparable incentives to Mr. Wong, we are of the opinion that the Award of the Connected Award Shares to Mr. Wong is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **2. Principal terms of the Award of the Connected Award Shares**

As set out in the Letter of the Board, the Award of the Connected Award Shares to Mr. Wong shall be subject to the approval by the Independent Shareholders at the AGM and the vesting of the Connected Award Shares are subject to the terms and conditions of the rules of the Scheme and the satisfaction of the vesting conditions according to the vesting schedule.

### ***2.1 Vesting schedule and conditions of the Connected Award Shares***

Subject to the terms and conditions of the rules of the Scheme and the satisfaction of the vesting conditions, the aggregate of up to 45,799,285 Connected Award Shares (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) will be vested in five tranches, each to be vested to Mr. Wong as soon as reasonably practicable after the end of each of the relevant Measurement Period and upon determination by the Board as to whether the vesting conditions have been satisfied for each such tranche and the actual number of Connected Award Shares to be vested under each such tranche.

#### *Conditions*

The issue and allotment of the Connected Award Shares to Mr. Wong shall be subject to the following vesting conditions:

- (i) the approval by the Independent Shareholders at the AGM in respect of the issue and allotment of the Connected Award Shares under the Specific Mandate;
- (ii) the granting of the listing approval by the Stock Exchange in respect of the Connected Award Shares;
- (iii) he is and remains the Group Chief Executive Officer of the Company; and
- (iv) for each tranche of the Connected Award Shares, the achievement of a compound annual growth rate of not less than 10% (“**Expected Growth Rate**”) on the Initial Benchmark Price based on the Measurement Price for each relevant Measurement Period (“**Growth Performance Condition**”).

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In determining whether the Expected Growth Rate is achieved for the purpose of vesting condition (iv) above for each tranche of the Connected Award Shares, the Company will refer to the target price for the relevant financial year (“**Target Price**”) to which each Measurement Period relates, which shall be calculated as follows:

$$\text{Target Price} = \text{Initial Benchmark Price} * (1 + \text{Expected Growth Rate at 10\%})^n$$

Where,

(a) The value of n for each relevant financial year are as follows:

<b>Relevant financial year</b>	<b>Value of n</b>
Ending 31 December 2021	n = “a”, which represents the number of days elapsed since the reference date on which the Initial Benchmark Price is determined (i.e. either the Date of Award or the date on which the Award of the Awarded Shares is approved by the Independent Shareholders at the AGM) up to the date on which the annual results for the financial year ending 31 December 2021 are published (both dates inclusive), divided by 365.
Ending 31 December 2022	n = 1+a
Ending 31 December 2023	n = 2+a
Ending 31 December 2024	n = 3+a
Ending 31 December 2025	n = 4+a

The Growth Performance Condition will be satisfied in relation to each tranche of the Connected Award Shares where the Measurement Price for each relevant financial year to which such tranche relates is higher than the Target Price for each such relevant financial year.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the fairness and reasonableness on the vesting period and vesting conditions of the Connected Award Shares, we have, to our best effort and knowledge, identified an exhaustive list of 18 comparable companies which are listed on the Main Board of the Stock Exchange and had announced the grant of awarded shares in the three-month period immediately before the Date of Award (i.e. the period from 31 December 2020 to 30 March 2021) (the “**Comparable Grants**”), which represented the most recent period prior to the Date of Award to demonstrate the prevailing market practice to grant award shares under similar market condition. Shareholders should note that the business, operations and financial performance of the companies offering the Comparable Grants are not the same as the Company and we have not conducted any in-depth investigation into the businesses and operations of the companies offering the Comparable Grants. However, we consider that the Comparable Grants could provide the Independent Shareholders with a general reference of companies listed on the Main Board of the Stock Exchange granting award shares. Set out below is a comparison of the Comparable Grants:

Company name (Stock code)	Date of announcement	Vesting date/period	Vesting conditions
IVD Medical Holding Limited (1931)	29 March 2021	1 April 2022	N
BOE Varitronix Limited (710)	29 March 2021	40% on 28 April 2021 30% on 28 April 2022 30% on 28 April 2023	Y
NetDragon Websoft Holdings Limited (777)	26 March 2021	immediate	N
China Modern Dairy Holdings Limited (1117)	25 March 2021	first anniversary	Y
Wuxi Biologics (Cayman) Inc. (2269)	24 March 2021	differ among the grantees	Y
Xtep International Holdings Limited (1368)	19 March 2021	10% on 31 March 2023 15% on 31 March 2024 20% on 31 March 2025 20% on 31 March 2026 35% on 31 March 2027	not disclosed
Chong Hing Bank Limited (1111)	16 March 2021	25% on first anniversary 25% on second anniversary 25% on third anniversary 25% on fourth anniversary	not disclosed
SITC International Holdings Company Limited (1308)	12 March 2021	third anniversary	not disclosed
IGG INC (799)	11 March 2021	25% on first anniversary 25% on second anniversary 25% on third anniversary 25% on fourth anniversary	N
Pacific Basin Shipping Limited (2343)	2 March 2021	immediate	N
Earthasia International Holdings Limited (6128)	28 January 2021	immediate	N
NagaCorp Limited (3918)	28 January 2021	over a period of six years	Y

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (Stock code)	Date of announcement	Vesting date/period	Vesting conditions
BC Technology Group Limited (863)	27 January 2021	various vesting schedules: (i) 2/3 on 7 April 2021 and 1/3 on 7 January 2022; and (ii) 25% on 4 September 2021, 25% on 4 September 2022, 25% on 4 September 2023 and 25% on 4 September 2024	not disclosed
Frontage Holdings Corporation (1521)	26 January 2021	25% on first anniversary 25% on second anniversary 25% on third anniversary 25% on fourth anniversary	not disclosed
Sinosoft Technology Group Limited (1297)	25 January 2021	immediate	N
Renrui Human Resources Technology Holdings Limited (6919)	22 January 2021	1/3 on first anniversary 1/3 on second anniversary 1/3 on third anniversary	N
Dashan Education Holdings Limited (9986)	14 January 2021	40% after publication of the annual results announcement for the year ending 31 December 2021 30% after publication of the annual results announcement for the year ending 31 December 2022 30% after publication of the annual results announcement for the year ending 31 December 2023	Y
Xiaomi Corporation (1810)	6 January 2021	between 2 July 2021 to 6 January 2025, subject to fulfillment of vesting conditions	Y

*Source: the website of the Stock Exchange (<https://www.hkex.com.hk/>)*

As shown from the above table, the vesting period of the Comparable Grants ranged from immediate to six years. The vesting period of the Connected Award Shares of five years is within range but longer than most of the Comparable Grants. In addition, we noted from the 18 Comparable Grants that it is not uncommon for listed issuers to impose vesting conditions on the grant of award shares. In particular, Dashan Education Holdings Limited disclosed on its announcement that vesting conditions relating to, among others, certain financial performance of the listed issuer has to be achieved for the listed issuer to grant the award shares to the grantees. Given that the Award of Connected Award Shares is subject to the Growth Performance Condition, we consider that the longer vesting period would provide extended incentives for Mr. Wong to promote long-term growth of the Group. Thus, we concur with the Directors that the vesting conditions and the vesting period of the Award of Connected Award Shares are fair and reasonable.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 2.2 Actual number of Connected Award Shares to be vested

An aggregate of up to 9,159,857 Connected Award Shares (subject to adjustment in the event of any sub-division, consolidation or bonus issue of Shares in accordance with the rules of the Scheme) may be vested to Mr. Wong under each tranche. The actual number of Connected Award Shares to be vested to Mr. Wong under each tranche shall be calculated as follows:

$$\text{Actual number of Connected Award Shares to be vested} = \frac{(\text{Measurement Price} - \text{Target Price}) * 5\% * \text{Total Issued Shares}}{\text{Reference Price}}$$

Where,

- (a) “Total Issued Shares” refers to the total number of issued Shares in the capital of the Company as at the end of the relevant Measurement Period.
- (b) “Reference Price” refers to the average closing price of the Shares during the relevant Measurement Period as quoted on the Stock Exchange.

For definition of the terms on the formula, please refer to the subsection headed “Actual number of Connected Award Shares to be vested” in the Letter from the Board.

We have considered comparing the actual number of Connected Award Shares to be granted and vested with the Comparable Grants. However, as the Comparable Grants generally involved the grant of awarded shares to a number of grantees without disclosing detailed breakdown as to the number of awarded shares granted to each of the grantees as well as the detailed vesting conditions for their awarded shares, we therefore consider it would not be practicable to compare the actual number of Connected Award Shares under the Award with the Comparable Grants given the differences and/or lack of details in vesting conditions.

We noted that the aggregate of up to 9,159,857 Connected Award Shares which may be vested to Mr. Wong under each tranche represented approximately 1.0% of the total number of Shares in issue as at the Latest Practicable Date. Although the Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules, the Scheme is a share-based incentive scheme that shares similar nature as a share option scheme with an objective to incentivise the grantees to contribute to the business performance of the Group and hence we consider relevant provisions in Chapter 17 of the Listing Rules could provide a general reference to the terms of the Award of the Connected Award Shares. With reference to Rule 17.03(4) of the Listing Rules, no shareholders’ approval is required if the maximum entitlement granted to each participant of a share options scheme do not exceed 1% of the relevant class of securities in issue in a 12-month period. We noted that no share option has been granted to Mr.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Wong during the past 12 months from the Date of Award. In view of the above and that the maximum number of Connected Award Shares to be vested to Mr. Wong under each tranche do not exceed 1% of the total number of Shares in issue as at the Latest Practicable Date, we are of the view that the number of Connected Award Shares under the Award is generally in line with the market on the grant of share-based incentive and the requirements under the Listing Rules. Nevertheless, it should be noted that given the vesting of the Connected Award Shares for each tranche is subject to the Growth Performance Condition for the relevant financial year during the vesting period, Mr. Wong may or may not receive the maximum amount of 9,159,857 Connected Award Shares.

As at the Latest Practicable Date, the total number of Shares in issue was 916,080,893 Shares, among which 509,601,953 Shares or approximately 55.6% of the Shares in issue were held by the public Shareholders. As detailed in the paragraph headed “Dilution effect not material” above, in the circumstance Mr. Wong were to be allotted the maximum number of Connected Award Shares, hypothetically, the public Shareholders will be able to enjoy a cumulative appreciation in the price of the Shares of at approximately 2 times at a “cost” of dilution of only 2.6% in a period of approximately five years. Taking into account that (i) the reasons for the Award of the Connected Award Shares as detailed in the above, in particular that the importance of Mr. Wong in the historical performance and future business development of the Group; (ii) the vesting of the Connected Award Shares is subject to the Growth Performance Condition and hence Mr. Wong would only be awarded when the public Shareholders also benefit directly as a result of the increase in the price of the Shares; (iii) the Award of the Connected Award Shares is in the interests of the Company and the Shareholders as a whole; (iv) the terms of the Award of the Connected Award Shares are fair and reasonable as far as the Company and the Independent Shareholders are concerned, we consider the number of Connected Award Shares to be granted to Mr. Wong and the potential dilution effect on the shareholding interests of the public Shareholders is acceptable.

### ***2.3 Market price of the Connected Award Shares***

Based on the closing price of HK\$11.80 per Share as quoted on the Stock Exchange as at 31 March 2021, being the Date of Award, and the closing price of HK\$10.40 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the aggregate market value of the maximum number of Connected Award Shares Award which may be granted over five years was HK\$540,431,563 and HK\$476,312,564, respectively. No fund will be raised by the Company as a result of the issue and allotment of the Connected Award Shares.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 3. Financial effects of the Award of Connected Award Shares

After granting of the Connected Award Shares to Mr. Wong, the value of such Award would be allocated and charged as expenses of the Group for the relevant financial year during the vesting period. No fund will be raised as a result of the issue and allotment of the Connected Award Shares.

### RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that although the Award of Connected Award Shares is not in the ordinary and usual course of business of the Group, it is incidental to the Group's development of its ordinary and usual course of business, and the terms of the Award of Connected Award Shares are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Award of Connected Award Shares is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the AGM to approve the Award of Connected Award Shares, the grant of the Specific Mandate and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Lego Corporate Finance Limited**  
**Joshua Liu**  
*Managing Director*

*Mr. Joshua Liu is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 20 years of experience in the securities and investment banking industries.*

*This is the explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate. This explanatory statement also constitutes the memorandum required under Section 239 of the Companies Ordinance.*

## **SHARE REPURCHASE RULES**

The Share Repurchase Rules provide that all proposed repurchase of securities by a company with listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of a general mandate or by a specific approval of a particular transaction. A maximum of 10% of the fully paid-up securities of a company as at the date of the passing of the relevant resolution may be repurchased on the Stock Exchange.

## **SHARE CAPITAL**

As at the Latest Practicable Date, the number of Shares in issue was 916,080,893.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed to repurchase a maximum of 91,608,089 Shares, equivalent to 10% of the number of the Shares in issue during the Relevant Period (as hereinafter defined) in which the general mandate to repurchase Shares remains in force. Any Shares repurchased pursuant to the general mandate to repurchase Shares must be fully paid-up.

“Relevant Period” means the period from the date of the passing of the relevant ordinary resolution on the general mandate to repurchase Shares 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, or any applicable laws of Hong Kong to be held; or
- (iii) the date on which the authority set out in the relevant resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases 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 earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

**FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of Hong Kong, being profits available for distribution and the proceeds of a fresh issue of Shares made for the purpose of the repurchase. It is envisaged that the funds required for any repurchase would be derived from profits available for distribution.

In the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period, there could be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the Annual Report. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**DIRECTORS' UNDERTAKING**

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

**DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their Associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell their Shares to the Company or its Subsidiaries under the Repurchase Mandate.

As at the Latest Practicable Date, no Connected Persons of the Company have notified the Company that they have a present intention to sell their Shares to the Company or its Subsidiaries nor have they undertaken not to sell any of the Shares to the Company or its Subsidiaries in the event that the Company is authorised to make repurchases of Shares.

**EFFECT OF THE 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 Rule 32 of the Takeovers Code. As a result, 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 offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the controlling Shareholders, Mr. Wong Wai Kay, Ricky and Mr. Cheung Chi Kin, Paul, together with their Associates (including Top Group International Limited) beneficially owned 406,428,940 Shares representing approximately 44.37% of the total number of issued Shares and their shareholding will be increased to approximately 49.30% of the total number of issued Shares if the Repurchase Mandate is exercised in full. The Directors believe that such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to effect a Share repurchase to the extent that it would trigger an obligation to make a mandatory offer under the Takeovers Code.

No repurchase would be made by the Company of the Shares without the Stock Exchange's prior approval if such repurchase would result in less than 25% of the number of the Shares in issue being in public hands.

### REPURCHASES OF SHARES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

### SHARE PRICES

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2020</b>		
May	4.93	3.83
June	4.76	4.00
July	8.21	4.95
August	10.50	7.02
September	13.48	9.11
October	13.76	10.34
November	13.28	10.60
December	12.52	10.62
<b>2021</b>		
January	17.02	11.22
February	16.80	13.92
March	14.76	10.84
April	12.06	10.26
May (up to the Latest Practicable Date)	10.90	10.28

*The following are the particulars of the Directors to retire, and proposed to be re-elected at the AGM:*

1. **Mr. WONG Wai Kay, Ricky**, aged 59, is the co-founder of the Group and has been the Vice Chairman of the Company since 1 January 2020. He was the Chief Executive Officer of the Company from 1 January 2020 to 31 October 2020, and has been re-designated as the Group Chief Executive Officer since 1 November 2020. Mr. Wong had been the Chairman of the Group until 31 December 2019. He is the chairman of the Investment Committee and a member of the Executive Committee of the Company as well as a director of certain subsidiaries of the Group. Mr. Wong is primarily responsible for the overall strategic planning and management of the Group and the business direction of the Hong Kong and international business operations of the Group. Mr. Wong possesses extensive and successful experience in liberalisation of the telecommunications market, popularising advanced technology and applications, as well as corporate management and leadership. In 1992, Mr. Wong co-founded the Group and was the first to provide alternative international telecommunications services in Hong Kong, leading to the subsequent market liberalisation. In 1999, Mr. Wong was engaged in the establishment of territory-wide fibre optics network, providing high speed broadband, telephony and IP-TV service. Mr. Wong holds a Bachelor's Degree in Science and a Master of Business Administration Degree (Executive MBA Programme) from The Chinese University of Hong Kong. Currently, Mr. Wong is a member of the Board of Trustees of United College, The Chinese University of Hong Kong. Mr. Wong is a first cousin of Mr. Cheung Chi Kin, Paul, the Chairman and an Executive Director of the Company.

As at the Latest Practicable Date, Mr. Wong has a corporate interest, through Top Group International Limited (a corporation accustomed to act in accordance with Mr. Wong's directions), in 355,051,177 Shares (representing approximately 38.76% of the issued share capital of the Company), and a personal interest in 10,000,000 underlying Shares deriving from the share options granted under the 2012 Share Option Scheme. Save as disclosed above, Mr. Wong does not have, nor is deemed to have, any interests in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Wong has entered into a service contract with the Company relating to his service as the Vice Chairman, Group Chief Executive Officer and Executive Director of the Company. He has no fixed term of service with the Company and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Under the service contract, he is currently entitled to receive a monthly basic salary of HK\$800,000.00 and housing allowance of HK\$175,000.00 per month as the Vice Chairman, Group Chief Executive Officer and Executive Director of the Company and such other emoluments and discretionary performance bonus at the discretion of Board. For the financial year ended 31 December 2020, the total remuneration for Mr. Wong which comprises salary, housing and other allowances, discretionary performance bonuses, retirement scheme contributions and other benefits was HK\$19,901,000.00. Mr. Wong is not

entitled to receive any additional remuneration from the Company for being the chairman of the Investment Committee and a member of the Executive Committee of the Company as well as a director of certain subsidiaries of the Group. The remuneration package entitled by Mr. Wong is recommended by the Remuneration Committee and determined by the Board of the Company with reference to his responsibilities, time commitment and prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wong is not related to any directors, senior management, substantial or controlling shareholders of the Company and he did not hold any directorship in other listed companies in the last three years.

Save as disclosed herein, there is no other information related to Mr. Wong to be disclosed pursuant to the requirements of Rules 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

2. **Ms. ZHOU Huijing**, aged 39, was appointed as an Executive Director of the Company on 1 December 2017. Ms. Zhou had been the Managing Director of Shopping and eCommerce until 31 October 2020, and has been re-designated as the Chief Executive Officer (Hong Kong) of the Company with effect from 1 November 2020. She is a member of the Executive Committee of the Company as well as a director of certain subsidiaries of the Group. Ms. Zhou is primarily responsible for day-to-day management of the Hong Kong business operations including sales and marketing, O2O shop management, customer services, automated fulfilment and logistics functions and development of the Group's digital ecosystem, namely HKTVmall. Ms. Zhou joined the Group in 2003 as a management trainee. Prior to her current role, she held numerous positions and has extensive experience in marketing, business development, customer services, content distribution and partnership and production administration. Ms. Zhou holds a Master of Business Administration degree from The Hong Kong University of Science and Technology and a Bachelor of Social Science degree from The Chinese University of Hong Kong.

As at the Latest Practicable Date, Ms. Zhou has a personal interest in 3,500,000 underlying Shares deriving from the share options granted under the 2012 Share Option Scheme. Save as disclosed above, Ms. Zhou does not have, nor is deemed to have, any interests in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Ms. Zhou has entered into a service contract with the Company relating to her service as the Chief Executive Officer (Hong Kong) and Executive Director of the Company. She has no fixed term of service with the Company and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Under the service contract, she is currently entitled to receive a monthly basic salary of HK\$200,000.00 as the Chief Executive Officer



(Hong Kong) and Executive Director of the Company and such other emoluments and discretionary performance bonus at the discretion of Board. For the financial year ended 31 December 2020, the total remuneration for Ms. Zhou which comprises salary and allowances, commission, share-based payments, retirement scheme contributions and other benefits was HK\$8,763,000.00. Ms. Zhou is not entitled to receive any additional remuneration from the Company for being a member of the Executive Committee of the Company as well as a director of certain subsidiaries of the Group. The remuneration package entitled by Ms. Zhou is recommended by the Remuneration Committee and determined by the Board of the Company with reference to her responsibilities, time commitment and prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Ms. Zhou is not related to any directors, senior management, substantial or controlling shareholders of the Company and she did not hold any directorship in other listed companies in the last three years.

Save as disclosed herein, there is no other information related to Ms. Zhou to be disclosed pursuant to the requirements of Rules 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

3. **Mr. LEE Hon Ying, John**, aged 74, has been an Independent Non-executive Director of the Company since June 1997. He has also been appointed as the chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Lee is the managing director of Cyber Networks Consultants Company in Hong Kong. He was the Regional Director, Asia Pacific of Northrop Grumman-Canada, Ltd. He was previously the director of network services of Digital Equipment (HK) Limited and prior to that, worked for Cable and Wireless (HK) Limited and Hong Kong Telecom. He is a chartered engineer and a member of the Institution of Engineering and Technology, the United Kingdom, the Hong Kong Institution of Engineers and the Hong Kong Computer Society. He received a Master's Degree in Information Systems from The Hong Kong Polytechnic University in 1992. In addition, he is a Member of the Commission of International Aids and Development of St. Vincent de Paul, Council General, which is an international charity body with its head office in Paris, France. He is a member of the Parish Council of St. Anthony's Church in Hong Kong.

As at the Latest Practicable Date, Mr. Lee does not have, nor is deemed to have, any interests in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Lee has entered into a service agreement with the Company relating to his service as the Independent Non-executive Director of the Company. The appointment of Mr. Lee as an Independent Non-executive Director is for a term of one year subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Under the service contract, he is currently



entitled to receive an emolument of HK\$243,500.00 per annum as an Independent Non-executive Director, the chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. For the financial year ended 31 December 2020, the total remuneration for Mr. Lee which comprises director's fee was HK\$232,000.00. The remuneration package entitled by Mr. Lee is recommended by the remuneration committee and determined by the Board of the Company with reference to his responsibilities, time commitment and prevailing market conditions.

Mr. Lee will have served the Board for more than 20 years at the time of AGM. The Board has received from Mr. Lee annual confirmation of his independence and taking into account the various matters as set out in Rule 3.13 of the Listing Rules and his actual contributions, his impartiality and independent judgement on various issues that he brings to the discussions during Board and Board committees meetings, the Board is satisfied with his independence and considers Mr. Lee continues to be independent.

The Nomination Committee has taken into account the skill mix of the Board, the professional knowledge, experience, time commitment and contribution of Mr. Lee, with reference to the nomination criteria and process set out in the Company's Board Diversity Policy and Nomination Policy as well as the Company's corporate strategy. The Board believes that Mr. Lee would contribute significantly to the strategy development and other relevant corporate governance matters of the Company. Therefore, the Board accepted the nomination from the Nomination Committee and recommended Mr. Lee to stand for re-election by Shareholders at the AGM.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lee is not related to any directors, senior management, substantial or controlling shareholders of the Company and he did not hold any directorship in other listed companies in the last three years.

Save as disclosed herein, there is no other information related to Mr. Lee to be disclosed pursuant to the requirements of Rules 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

## 1. DISCLOSURE OF INTERESTS

### (a) Directors' Interests in Shares and Underlying Shares

As at the Latest Practicable Date, the interests or short positions of the Company's Directors, chief executive and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

#### *Long positions in ordinary shares and underlying shares of the Company*

Name of Director	Interest in shares		Family interests	Total interest in shares	Interests in underlying shares pursuant to share options	Aggregate interests	Approximate percentage interests in the Company's issued share capital (Note 1)
	Personal interests	Corporate interests					
Mr. Cheung Chi Kin, Paul	26,453,424	24,924,339 (Note 2(i))	—	51,377,763	9,000,000	60,377,763	6.59%
Mr. Wong Wai Kay, Ricky	—	355,051,177 (Note 2(ii))	—	355,051,177	10,000,000	365,051,177	39.85%
Ms. Wong Nga Lai, Alice	50,000	—	—	50,000	4,000,000	4,050,000	0.44%
Mr. Lau Chi Kong	—	—	—	—	4,000,000	4,000,000	0.44%
Ms. Zhou Huijing	—	—	—	—	3,500,000	3,500,000	0.38%

#### *Notes:*

- This percentage is based on 916,080,893 Shares of the Company issued as at the Latest Practicable Date.
- The corporate interests of Mr. Cheung Chi Kin, Paul and Mr. Wong Wai Kay, Ricky arise through their respective interests in the following companies:
  - 24,924,339 Shares are held by Worship Limited which is 50% owned by Mr. Cheung Chi Kin, Paul; and
  - 355,051,177 Shares are held by Top Group International Limited, a corporation accustomed to act in accordance with Mr. Wong Wai Kay, Ricky; the interests of Top Group International Limited in the Company is also disclosed under the section "Substantial Shareholders" below.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares and derivative to ordinary shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

**(b) Substantial Shareholders**

As at the Latest Practicable Date, the interests or short positions of the persons, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register maintained by the Company required to be kept under Section 336 of the SFO were as follows:

Name	Interests in shares in long positions	Percentage interests (Note)
Top Group International Limited	355,051,177	38.76%

*Note:* This percentage is based on 916,080,893 Shares of the Company issued as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any persons (other than the Directors and chief executive of the Company) having any interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO.

**2. DIRECTORS' INTERESTS**

- (a) None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2020, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.
- (c) None of the Directors, or chief executive of the Company and their respective associates has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company.
- (d) Mr. Wong Wai Kay, Ricky and Mr. Cheung Chi Kin, Paul are directors of Top Group International Limited, which holds 355,051,177 Shares in the Company as at the Latest Practicable Date. Save as mentioned, none of the Directors or proposed Directors of the Company is a director or employee of the Company's substantial shareholder.

### 3. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors has or is proposed to have any service contract with any member of the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

### 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any other material adverse change in the financial or trading position or prospects of the Group since 31 December 2020 (being the date to which the latest audited consolidated financial statements of the Group were made up).

### 5. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

### 6. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the experts whose advice or opinion are included in this circular:

<b>Name</b>	<b>Qualification</b>
Lego Corporate Finance Limited	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activity as defined under the SFO

Lego Corporate Finance Limited has confirmed that:

- (a) it has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which its appears;
- (b) as at the Latest Practicable Date, it did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) as at the Latest Practicable Date, it did not have any direct or indirect interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**7. DOCUMENTS FOR INSPECTION**

Copy of the Scheme will be available for inspection during normal business hours at the Company's registered office at HKTVMultimedia and Ecommerce Centre, No. 1 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong from the date of this circular up to and including the date of the AGM.

## NOTICE OF AGM



### Hong Kong Television Network Limited 香港電視網絡有限公司

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
(Stock Code: 1137)

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“**Meeting**”) of Hong Kong Television Network Limited (the “**Company**”) will be held at Ground Floor, HKTVMultimedia and Ecommerce Centre, No. 1 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong on Wednesday, 9 June 2021 at 10:00 a.m. for the following purposes:

#### **Ordinary Business**

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 December 2020.
2.
  - (a) To re-elect Mr. Wong Wai Kay, Ricky as a director of the Company.
  - (b) To re-elect Ms. Zhou Huijing as a director of the Company.
  - (c) To re-elect Mr. Lee Hon Ying, John as a director of the Company.
  - (d) To authorise the board of directors of the Company to fix the directors’ remuneration.
3. To re-appoint Messrs. KPMG as auditor of the Company and to authorise the board of directors of the Company to fix their remuneration.

#### **Special Business**

To consider and, if thought fit, to pass the following resolutions (with or without modification) as ordinary resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

4. “**THAT:**
  - (a) subject to sub-paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to allot, issue and deal with additional shares in the Company or securities convertible into such shares or options, warrants, or similar rights to subscribe for any shares or convertible securities and to make, issue or grant offers, agreements or options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

## NOTICE OF AGM

- (b) the approval in sub-paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make, issue or grant offers, agreements or options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of share 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 sub-paragraph (a) of this resolution, otherwise than pursuant to (i) Rights Issue (as defined below), (ii) the exercise of the rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company and from time to time outstanding, (iii) any share option scheme(s) or similar arrangement for the time being adopted for the grant or issue to eligible participants of rights to acquire shares of the Company, or (iv) any shares allotted in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the number of shares of the Company in issue as at the date of the passing of this resolution and the said approval 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 Articles of Association of the Company or any applicable laws of Hong Kong to be held; or
- (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 or offer or issue of warrants, options or other securities of the Company giving rights to subscribe for 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 exclusions 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, or any territory outside, Hong Kong).”

## NOTICE OF AGM

5. **“THAT:**

- (a) subject to sub-paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and regulations, articles of association of the Company and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company to be repurchased by the Company pursuant to the approval in sub-paragraph (a) of this resolution above during the Relevant Period shall not exceed 10% of the number of shares of the Company in issue as at the date of passing of this resolution and the said approval shall 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 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 of association of the Company or any applicable laws of Hong Kong to be held; or
  - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
6. **“THAT,** subject to the passing of ordinary resolutions Nos. 4 and 5 above, the authority granted to the directors of the Company pursuant to the ordinary resolution No. 4 above be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted pursuant to such authority an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to the ordinary resolution No. 5 above, provided that such extended amount so repurchased shall not be more than 10% of the aggregate number of shares of the Company in issue as at the date of passing this resolution.”

7. **“THAT:**

- (a) the grant of specific mandate to the directors of the Company to exercise all powers of the Company to allot and issue an aggregate of up to 45,799,285 new shares (the **“Connected Award Shares”**) to Mr. Wong Wai Kay, Ricky pursuant to the share award scheme adopted by the Company on 31 March 2021 (the **“Scheme”**), and the transactions contemplated thereunder, be and are hereby approved and confirmed;



## NOTICE OF AGM

- (b) the award of the Connected Award Shares (the “**Award**”) pursuant to the Scheme to Mr. Wong Wai Kay, Ricky in accordance with the terms of the Scheme, be and are hereby approved and confirmed; and
- (c) any one director of the Company be and is hereby authorized to do all such acts and things and execute all documents which he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Award and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Connected Award Shares pursuant to the Scheme.”

To consider and, if thought fit, to pass the following resolutions (with or without modification) as a special resolutions of the Company:

### SPECIAL RESOLUTION

- 8. “**THAT**, subject to the approval of the Companies Registry in Hong Kong, the English name of the Company be changed from “Hong Kong Television Network Limited” to “Hong Kong Technology Venture Company Limited” and the Chinese name of the Company be changed from “香港電視網絡有限公司” to “香港科技探索有限公司”, and that any of the Directors of the Company shall be and is hereby authorised to do all such acts and things and execute all documents or make such arrangements as he/she may, in his/her absolute discretion, consider necessary or expedient to effect the said change of name of the Company”.

By Order of the Board

**Hong Kong Television Network Limited**

**Wong Nga Lai, Alice**

*Executive Director, Group Chief Financial Officer and  
Company Secretary*

Hong Kong, 10 May 2021

*Registered Office:*

HKTV Multimedia and Ecommerce Centre

No. 1 Chun Cheong Street

Tseung Kwan O Industrial Estate

New Territories

Hong Kong

## NOTICE OF AGM

*Notes:*

1. Every member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint persons be present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such shares of the Company shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarised copy thereof must be delivered to the Company's share registrar (the "**Share Registrar**"), Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
4. For the purpose of ascertaining shareholders' rights of attending and voting at the meeting, the register of members of the Company will be closed from Friday, 4 June 2021 to Wednesday, 9 June 2021 (both days inclusive), during which period no transfer of shares shall be effected. In order to be entitled to attend and vote at the meeting, all transfer documents 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 for registration not later than 4:30 p.m. on Thursday, 3 June 2021.
5. With regard to item 2 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. Wong Wai Kay, Ricky, Ms. Zhou Huijing and Mr. Lee Hon Ying, John be re-elected as directors of the Company. The biographical details of these directors are set out in Appendix II to the circular of the Company to the shareholders dated 10 May 2021.
6. As at the date of this notice, the executive directors of the Company are Mr. Cheung Chi Kin, Paul (Chairman), Mr. Wong Wai Kay, Ricky (Vice Chairman and Group Chief Executive Officer), Ms. Wong Nga Lai, Alice (Group Chief Financial Officer), Mr. Lau Chi Kong (Chief Executive Officer (International Business)) and Ms. Zhou Huijing (Chief Executive Officer (Hong Kong)) and the independent non-executive directors are Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu and Mr. Mak Wing Sum, Alvin.