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

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i-CABLE COMMUNICATIONS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1097)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
CHANGE OF AUDITOR,
GENERAL MANDATES FOR BUY-BACK AND ISSUE OF SHARES AND
ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 10 of this circular.

A notice convening the annual general meeting (“AGM”) of the Company to be held at Ballroom, 1st Floor, Dorsett Tsuen Wan Hong Kong, 28 Kin Chuen Street, Kwai Chung, Kowloon, Hong Kong on Thursday, 24 May 2018 at 3:30 p.m. is set out on pages AGM-1 to AGM-5 of this circular. A form of proxy for use by the Shareholders at the AGM is enclosed herein.

Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 3:30 p.m. on Monday, 21 May 2018, or in case of any adjournment thereof, not later than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for holding such adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

20 April 2018

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DEFINITIONS

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

“Adoption Date”	the date on which the adoption of the Share Option Scheme becomes unconditional
“Affiliate”	a company which the Group holds an interest
“AGM”	the annual general meeting of the Company to be held at Ballroom, 1st Floor, Dorsett Tsuen Wan Hong Kong, 28 Kin Chuen Street, Kwai Chung, Kowloon, Hong Kong on Thursday, 24 May 2018 at 3:30 p.m. (or any adjournment thereof)
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Buy-back Mandate”	the general mandate to be granted to the Directors to buy back shares of the Company on the Stock Exchange representing up to 10% of the Shares in issue as at the date of passing the relevant resolution(s)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	i-CABLE Communications Limited (Stock Code: 1097), a company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person”	any employee (whether full-time or part-time), director, consultant or adviser of the Group or an Affiliate

DEFINITIONS

“Extension Mandate”	the general mandate to be granted to the Directors to extend the Issuance Mandate by the number of any Shares bought back by the Company pursuant to and in accordance with the Buy-back Mandate
“Group”	the Company, its subsidiaries and consolidated structured entities
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	the general mandate to be granted to the Directors to allot, issue and otherwise deal with shares subject to a restriction that the aggregate number of Shares to be allotted or agreed to be allotted must not exceed 20% of the number of Shares in issue as at the date of passing the relevant resolution(s)
“Latest Practicable Date”	13 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	the option(s) to subscribe for Share(s) which may be granted under the Share Option Scheme
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Registrar”	the share registrar of the Company in Hong Kong, being Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Retiring Directors”	the Directors proposed for re-election at the AGM, namely Tan Sri Dato’ David Chiu, Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Tsang On Yip, Patrick and Mr. Hoong Cheong Thard as non-executive Directors, Mr. Andrew Wah Wai Chiu as executive Director and Mr. Lam Kin-Fung, Jeffrey and Mr. Hu Shao Ming Herman as independent non-executive Directors

DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares which may be issued pursuant to the exercise of all Options which may be granted under the Share Option Scheme and any other schemes in aggregate, not exceeding 10% of the total number of Shares in issue as at the Adoption Date, which may be renewed by obtaining approval of the Shareholders in general meeting from time to time, provided that such renewed limit shall not exceed 10% of the Shares in issue as at the date of approval of such limit
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Buy-backs Code”	the Code on Share Buy-backs
“Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Company subject to, among other things, the approval of the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

References to time and dates in this circular are to time and dates in Hong Kong.

LETTER FROM THE BOARD



i-CABLE COMMUNICATIONS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1097)

Non-executive Directors:

Tan Sri Dato' David Chiu (*Chairman*)
Dr. Cheng Kar-Shun, Henry *GBM, GBS (Vice-chairman)*
Dr. Cheng Chi-Kong, *Adrian JP*
Mr. Tsang On Yip, *Patrick*
Mr. Hoong Cheong Thard

Registered office:

8th Floor, Cable TV Tower,
9 Hoi Shing Road,
Tsuen Wan,
Hong Kong

Executive Director:

Mr. Andrew Wah Wai Chiu

Independent non-executive Directors:

Mr. Lam Kin-Fung, *Jeffrey GBS, JP*
Mr. Hu Shao Ming Herman *SBS, JP*
Mr. Luk Koon Hoo, *Roger BBS, JP*
Mr. Tang Sing Ming Sherman

20 April 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
CHANGE OF AUDITOR,
GENERAL MANDATES FOR BUY-BACK AND ISSUE OF SHARES AND
ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information in connection with (a) the ordinary resolutions to be proposed at the forthcoming AGM to be held on 24 May 2018 to, amongst others, (i) re-elect the Retiring Directors, (ii) change the auditor of the Company, (iii) grant general mandates to buy back Shares and to issue new Shares, and (iv) adopt the Share Option Scheme; and (b) the giving of notice of the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently comprise ten Directors namely Tan Sri Dato' David Chiu, Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Tsang On Yip, Patrick, and Mr. Hoong Cheong Thard as non-executive Directors, Mr. Andrew Wah Wai Chiu as executive Director, and Mr. Lam Kin-Fung, Jeffrey, Mr. Hu Shao Ming Herman, Mr. Luk Koon Hoo, Roger and Mr. Tang Sing Ming Sherman as independent non-executive Directors.

In accordance with Article 97 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Each of the Directors appointed on 15 September 2017, namely Tan Sri Dato' David Chiu, Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Tsang On Yip, Patrick, and Mr. Hoong Cheong Thard as non-executive Directors, Mr. Andrew Wah Wai Chiu as an executive Director, and Mr. Lam Kin-Fung, Jeffrey as an independent non-executive Director, will retire at the AGM and, being eligible, offer themselves for re-election at the AGM.

In accordance with Article 106(A) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to but not less than one-third), who are not Directors in respect of whom the provisions of Article 97 of the Articles of Association apply, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, one Director, namely, Mr. Hu Shao Ming Herman, will retire from the Board by rotation and is proposed to be re-elected at the AGM.

Each of Mr. Lam Kin-Fung, Jeffrey and Mr. Hu Shao Ming Herman, the independent non-executive Directors, has provided the Company a confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Board affirms that they are independent.

Details of the Retiring Directors proposed to be re-elected are set out in Appendix I to this circular.

CHANGE OF AUDITOR

Reference is made to the announcement published by the Company on 11 April 2018. As set out in the said announcement, KPMG will retire as the auditor of the Company upon the expiration of its current term of office with effect from the conclusion of the AGM.

For the purpose of maintaining good corporate governance practice, the Board considers that the auditor of the Company should be rotated after an appropriate period of time. KPMG has been the auditor of the Company since its listing in 1999. After due consideration, the Board proposes, with the recommendation of the Audit Committee, to appoint PricewaterhouseCoopers as the new auditor of the Company following the retirement of KPMG subject to the approval of the Shareholders at the AGM.

LETTER FROM THE BOARD

KPMG has confirmed that there are no matters in connection with its retirement that should be brought to the attention of the Shareholders. The Company confirms that there are no other matters in respect of the proposed change of auditor of the Company that need to be brought to the attention of the Shareholders.

GENERAL MANDATES FOR BUY-BACK AND ISSUE OF SHARES

At the annual general meeting of the Company held on 26 April 2017, an ordinary resolution was passed giving general mandates to the Directors to allot, issue and otherwise deal with Shares subject to, inter alia, a restriction that the aggregate number of Shares to be allotted or agreed to be allotted must not exceed 20% of the total number of Shares in issue as at 26 April 2017.

Pursuant to the Companies Ordinance and the Listing Rules, the general mandate mentioned above will lapse at the conclusion of the AGM, unless renewed at that meeting.

Resolutions will be proposed at the AGM to grant to the Directors the Buy-back Mandate, the Issuance Mandate and the Extension Mandate.

As at the Latest Practicable Date, the total number of Shares in issue was 6,206,020,156 Shares. Subject to the passing of the resolutions approving the Buy-back Mandate, the Issue Mandate and the Extension Mandate and assuming that there is no change in the total number of Shares in issue between the Latest Practicable Date and the date of the passing of the relevant resolutions at the AGM, the Company would be allowed under the Buy-back Mandate to buy-back a maximum of 620,602,015 Shares and under the Issuance Mandate to issue a maximum of 1,241,204,031 Shares (subject to the Extension Mandate).

As at the Latest Practicable Date, the Company had no immediate plan to repurchase any Shares under the Buy-back Mandate or issue any new Shares under the Issuance Mandate.

An explanatory statement as required under the Listing Rules to provide the requisite information in connection with the Buy-back Mandate is set out in Appendix II to this circular.

ADOPTION OF SHARE OPTION SCHEME

The Board proposes to adopt the Share Option Scheme.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentives to the Eligible Persons, to recognise and acknowledge the contributions that the Eligible Persons have made or may make to the Group and to promote the success of the business of the Group.

The Board considers that the Share Option Scheme will motivate more persons to make contribution to the Group, facilitate the retention and the recruitment of high-calibre staff of the Group. The Board also believes that it is in the interest of the Group as a whole for a broader category of Eligible Persons other than the employees and directors such as consultants and advisers to be given incentives to participate in the growth of, and make contribution to, the Group in the form of Options to subscribe for Shares. Furthermore, the Board considers

LETTER FROM THE BOARD

that the Eligible Persons will share common interests and objectives with the Group upon their exercise of the Share Options, which is beneficial to the long-term development of the Group. The eligibility of those parties other than employees and directors of the Group will be determined by the Board according to their potential and/or actual contribution to the business affairs of and benefits to the Group. In addition, the adoption of the Share Option Scheme is in line with modern commercial practice that full-time or part-time employees, directors, management, consultants and advisers be given incentives to work towards enhancing the value and attaining the long-term objectives of the Company and for the benefit of the Group as a whole. As such, the Directors consider that the adoption of the Share Option Scheme is in the interest of the Company and its Shareholders as a whole. The provisions of the Share Option Scheme will comply with the requirements under Chapter 17 of the Listing Rules.

The shares to be issued upon an exercise of the Options granted under the Share Option Scheme will be the Shares.

The Company previously adopted a share option scheme on 2 November 1999 which expired on 2 November 2009 and all outstanding unexercised share options granted thereunder expired on 31 December 2009. There were no other share option schemes put in place by the Company as at the Latest Practicable Date.

The proposed Share Option Scheme is subject to and conditional upon:

- (a) the passing of an ordinary resolution to approve and adopt the Share Option Scheme by the Shareholders in a general meeting (with any persons required to abstain from voting under the Listing Rules so abstaining) and to authorise the Directors to grant Options under the Share Option Scheme and to allot and issue the Shares pursuant to the exercise of any Options; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the Options to be granted under the Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of the Options granted under the Share Option Scheme.

As at the Latest Practicable Date, the total number of Shares in issue was 6,206,020,156, all of which are listed and traded on the Stock Exchange. Assuming that there is no change in the total number of Shares in issue between the Latest Practicable Date and the Adoption Date, the total number of Shares issuable pursuant to the Share Option Scheme will be 620,602,015 Shares. As at the Latest Practicable Date, the Company had no immediate plan to grant any Options to any Eligible Person under the Share Option Scheme.

The Share Option Scheme provides that in granting Options under the Share Option Scheme the Company may specify a minimum holding period and performance conditions or targets which must be achieved before Options can be exercised by the Option holders. In addition, the basis for the determination of the exercise price of the Options has been set out in

LETTER FROM THE BOARD

the Share Option Scheme. The Board considers that the aforesaid criteria and the terms of the Share Option Scheme will serve to preserve the value of the Company and encourage Option holders to acquire proprietary interests in the Company.

The Directors consider that it is not appropriate to state the value of the Options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date, as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the subscription price, option period, lock-up period (if any), performance target (if any) and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date would be based on a great number of speculative assumptions and would therefore not be meaningful and could be misleading to the Shareholders.

There is no trustee regime under the Share Option Scheme. As such, none of the Directors are trustees of the Share Option Scheme or have any direct or indirect interest in the trustees.

No Shareholder is required to abstain from voting on the resolution in respect of the adoption of the Share Option Scheme under the Listing Rules.

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. A copy of the Share Option Scheme will be available for inspection at the Company's registered office at 8th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, Hong Kong at normal business hours from the date of this circular and up to the date of the AGM and at the AGM.

The Share Option Scheme complies with the requirements under Chapter 17 of the Listing Rules. With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

AGM

A notice convening the AGM to be held at Ballroom, 1st Floor, Dorsett Tsuen Wan Hong Kong, 28 Kin Chuen Street, Kwai Chung, Kowloon, Hong Kong on Thursday, 24 May 2018 at 3:30 p.m. is set out on pages AGM-1 to AGM-5 of this circular. At the AGM, resolutions will be proposed to, amongst others, re-elect the Retiring Directors, change the auditor of the Company, grant the Buy-back Mandate, the Issuance Mandate and the Extension Mandate, and approve the proposed adoption of the Share Option Scheme.

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 17 May 2018 to Thursday, 24 May 2018, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM. All transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 16 May 2018.

LETTER FROM THE BOARD

ACTIONS TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 3:30 p.m. on Monday, 21 May 2018, or in case of any adjournment thereof, not less than 48 hours before the time appointed for holding such adjourned meeting.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules. None of the Shareholders is required to abstain from voting on any resolutions to be proposed at the AGM pursuant to the Listing Rules and/or the Articles of Association.

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 misleading.

RECOMMENDATION

The Directors consider the proposed resolutions in relation to the re-election of the Retiring Directors, the change of auditor of the Company, the grant of the Buy-back Mandate, the Issuance Mandate and the Extension Mandate, and the adoption of the Share Option Scheme to be put forward at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
i-CABLE COMMUNICATIONS LIMITED
Kwok Chi Kin
Company Secretary

The following are the relevant information relating to the Retiring Directors proposed to be re-elected at the AGM:

TAN SRI DATO' DAVID CHIU

Tan Sri Dato' David CHIU (“**Tan Sri Dato' David Chiu**”) *B.Sc.*, aged 63, was appointed as the chairman of the Board and a non-executive Director in September 2017. He is also the chairman and a member of the nomination committee of the Company and a member of the compensation committee of the Company. Tan Sri Dato' David Chiu holds a double degree of Bachelor of Science in Business Administration and Economics at the University of Sophia, Japan. He is a prominent businessman with over 30 years' experience in the property development and extensive experience in the hotel development. Since 1978, Tan Sri Dato' David Chiu had been the managing director of Far East Consortium Limited, the predecessor of Far East Consortium International Limited (“**FECIL**”), a listed public company in Hong Kong, which is mainly engaged in property development and investment, hotel operation and management, car park operation as well as property management services, adopting geographical diversification and “Chinese Wallet” strategy, with business covering Hong Kong, Mainland China, Australia, Malaysia, Singapore, the United Kingdom and New Zealand. He was appointed as the deputy chairman and chief executive officer of FECIL on 8 December 1994 and 8 October 1997 respectively. On 8 September 2011, Tan Sri Dato' David Chiu has been appointed as the chairman of FECIL. He was formerly a non-executive director (up to the withdrawal of listing) and is currently a director of Dorsett Hospitality International Limited (formerly known as Kosmopolito Hotels International Limited, a subsidiary of FECIL which withdrew from listing on the Main Board of the Stock Exchange). He was the chairman of the board of directors of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange, until 31 March 2015.

He was appointed as the member of the 12th and 13th Chinese People's Political Consultative Conference and the chairman of Mid-Autumn Festival Celebration-People and Forces' Committee in 2008. Currently, he is the vice chairman of All-China Federation of Industry and Commerce, a trustee member of The Better Hong Kong Foundation, an honorary chairman of Mid-Autumn Festival Celebration-People and Forces' Committee, a director and a member of Concerted Efforts Resource Centre, a counsellor of China-United States Exchange Foundation, an honorary chairman of Guangdong Chamber of Foreign Investors, a member of Hong Kong General Chamber of Commerce, a member of the Constitutional Reform Synergy, a member of The Real Estate Developers Association of Hong Kong, a member of Friends of Hong Kong Association Limited, a member of Pacific Basin Economic Council and a director of three Ju Ching Chu Schools in Hong Kong. In Malaysia, Tan Sri Dato' David Chiu was awarded an honorary award which carried the title “Dato” and a more senior honorary title of “Tan Sri” by His Majesty, King of Malaysia in 1997 and 2005 respectively. He was also awarded the WCEF Lifetime Achievement Awards by Asian Strategy & Leadership Institute in 2013.

Tan Sri Dato' David Chiu is the father of Mr. Andrew Wah Wai Chiu, an executive Director and the brother of the brother-in-law of Mr. Tang Sing Ming Sherman, an independent non-executive Director. As at the Latest Practicable Date, Forever Top (Asia) Limited, a controlling shareholder of the Company, is beneficially owned as to 24.5% by Tan Sri Dato' David Chiu and Tan Sri Dato' David Chiu is a director of Forever Top (Asia) Limited.

Tan Sri Dato' David Chiu received a director's fee of HK\$17,753 for the year ended 31 December 2017. Tan Sri Dato' David Chiu's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group's performance and the prevailing market conditions.

DR. CHENG KAR-SHUN, HENRY

Dr. CHENG Kar-Shun, Henry ("**Dr. Cheng**") *GBM, GBS*, aged 71, was appointed as the vice-chairman of the Board and a non-executive Director in September 2017. Dr. Cheng is the chairman and executive director of New World Development Company Limited, NWS Holdings Limited and Chow Tai Fook Jewellery Group Limited, the chairman and non-executive director of New World Department Store China Limited, Newton Resources Ltd and FSE Engineering Holdings Limited, an independent non-executive director of HKR International Limited and Hang Seng Bank Limited, and a non-executive director of SJM Holdings Limited, all of them are listed public companies in Hong Kong. He was the chairman and managing director of New World China Land Limited, a listed public company in Hong Kong until its delisting on 4 August 2016. He was the chairman and executive director of International Entertainment Corporation, a listed public company in Hong Kong, up to his resignation on 10 June 2017, and a non-executive director of Lifestyle International Holdings Limited, a listed public company in Hong Kong, up to his retirement on 4 May 2015. He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited.

Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China. Dr. Cheng was awarded the Gold Bauhinia Star and the Grand Bauhinia Medal in 2001 and 2017 respectively by the Government of the Hong Kong Special Administrative Region.

Dr. Cheng is the father of Dr. Cheng Chi-Kong, Adrian, a non-executive Director and the uncle of the spouse of Mr. Tsang On Yip, Patrick, a non-executive Director. As at the Latest Practicable Date, Forever Top (Asia) Limited, a controlling shareholder of the Company, is owned as to 31.5% by Celestial Pioneer Limited, which is wholly-owned by Dr. Cheng, and Dr. Cheng is also a director of Forever Top (Asia) Limited.

Dr. Cheng received a director's fee of HK\$17,753 for the year ended 31 December 2017. Dr. Cheng's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group's performance and the prevailing market conditions.

DR. CHENG CHI-KONG, ADRIAN

Dr. CHENG Chi-Kong, Adrian (“**Dr. Adrian Cheng**”) *JP*, aged 38, was appointed as a non-executive Director in September 2017. Dr. Adrian Cheng is the executive vice-chairman and general manager of New World Development Company Limited. Dr. Adrian Cheng is an executive director of New World Department Store China Limited and Chow Tai Fook Jewellery Group Limited and a non-executive director of Giordano International Limited, all being listed public companies in Hong Kong. He is an executive director of New World China Land Limited, a listed public company in Hong Kong until its delisting on 4 August 2016. He was an executive director of International Entertainment Corporation up to his resignation on 10 June 2017 and a non-executive director and vice chairman of Modern Media Holdings Limited up to his resignation on 26 August 2017, both being listed public companies in Hong Kong. He is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited. He is also the chairman of New World Group Charity Foundation Limited and a director of certain subsidiaries of New World Development Company Limited. Dr. Adrian Cheng worked in a major international bank prior to joining the New World Development Group in September 2006 and has substantial experience in corporate finance.

Dr. Adrian Cheng holds a Bachelor of Arts Degree (cum laude) from Harvard University, and was conferred the Honorary Doctorate of Humanities by the Savannah College of Art and Design. He is the vice-chairman of All-China Youth Federation, a member of the Tianjin Municipal Committee of The Chinese People’s Political Consultative Conference, the chairman of China Young Leaders Foundation, the Honorary Chairman of K11 Art Foundation Limited and a member of Board of the West Kowloon Cultural District Authority.

He is the son of Dr. Cheng Kar-Shun, Henry, a non-executive Director, and the cousin of the spouse of Mr. Tsang On Yip, Patrick, a non-executive Director.

Dr. Adrian Cheng received HK\$17,753 for the year ended 31 December 2017. Dr. Adrian Cheng’s emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group’s performance and the prevailing market conditions.

MR. ANDREW WAH WAI CHIU

Mr. Andrew Wah Wai CHIU (“**Mr. Chiu**”), aged 29, was appointed as an executive Director in September 2017. He is also the authorised representative of the Company and a director of certain subsidiaries of the Company. Mr. Chiu is the founder and the executive chairman of Land Pacific Limited, Deacon House International Limited and Ariana Social Community Limited. Land Pacific Limited was formed in 2013 is a property development company focusing on residential and commercial developments in South East Asia. Deacon House International Limited formed in 2015 is a hotel company based on Chinese contemporary designs and influences, exemplifying Chinese cultures and traditions with a modern twist. Ariana Social Community Limited formed in 2016 is a community based student housing company with its flagship property in Farringdon, London and projects pipelined in England, Australia and North America.

Mr. Chiu started his career with DTZ Hong Kong in 2008, he joined FECIL in 2009 and was appointed as the business development manager of FECIL in 2012. He is responsible for property investment and development for FECIL. From 2015, Mr. Chiu serves as the assistant to the chairman of FECIL. He is also a director of Malaysia Land Properties Sdn Bhd, and Land & General Berhad, a company listed on the Bursa Malaysia. He is a member of Hong Kong General Chamber of Commerce and a member of The Real Estate Developers Association of Hong Kong.

Mr. Chiu is the son of Tan Sri Dato' David Chiu, a non-executive Director and the nephew of the brother-in-law of Mr. Tang Sing Ming Sherman, an independent non-executive Director.

Mr. Chiu received a director's fee of HK\$17,753 for the year ended 31 December 2017. Mr. Chiu's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group's performance and the prevailing market conditions.

MR. TSANG ON YIP, PATRICK

Mr. TSANG On Yip, Patrick ("Mr. Tsang"), aged 46, was appointed as a non-executive Director in September 2017. He is also a member of the compensation committee of the Company. Mr. Tsang is a director and chief executive officer of Chow Tai Fook Enterprises Limited. Mr. Tsang is an executive director of Melbourne Enterprise Limited and UMP Healthcare Holdings Limited, a non-executive director of Greenheart Group Limited and Integrated Waste Solutions Group Holdings Limited, all of which are listed public companies in Hong Kong. Mr. Tsang is also a director of Cheng Yu Tung Foundation Limited and Chow Tai Fook (Holding) Limited and the governor of Chow Tai Fook Charity Foundation Limited. He obtained a bachelor of arts degree in Economics from Columbia College of Columbia University in New York, USA.

Mr. Tsang's spouse is a niece of Dr. Cheng Kar-Shun, Henry, a non-executive Director and a cousin of Dr. Cheng Chi-Kong, Adrian, a non-executive Director.

Mr. Tsang received a director's fee of HK\$17,753 for the year ended 31 December 2017. Mr. Tsang's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group's performance and the prevailing market conditions.

MR. HOONG CHEONG THARD

Mr. HOONG Cheong Thard ("Mr. Hoong") *B.Eng., ACA*, aged 49, was appointed as a non-executive Director in September 2017. He is also a member of the audit committee of the Company. Mr. Hoong is an executive director of FECIL since August 2012. He joined FECIL in September 2008 as the managing director. He is responsible for the formulation and implementation of FECIL's overall strategies for development.

Prior to joining FECIL, Mr. Hoong was the chief executive officer of China LotSynergy Holdings Limited, a listed public company in Hong Kong, where he retired as a non-executive director of the company with effect from 1 June 2017. Mr. Hoong was an investment banker for over 12 years and had held senior positions at Deutsche Bank and UBS where he was responsible for corporate finance business in Asia. He was formerly a non-executive director (up to the withdrawal of listing) and is currently a director of Dorsett Hospitality International Limited (formerly known as Kosmopolito Hotels International Limited and withdrew from listing on the Main Board of the Stock Exchange, a subsidiary of FECIL in October 2015), was a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange, until March 2017 and is a non-independent and non-executive director of Land & General Berhad, a company listed on the Bursa Malaysia. Mr. Hoong is also a director of Forever Top (Asia) Limited, a controlling shareholder of the Company.

Mr. Hoong is a member of the Institute of Chartered Accountants in England and Wales and holds a bachelor's degree in Mechanical Engineering from Imperial College, University of London.

Mr. Hoong received a director's fee of HK\$17,753 for the year ended 31 December 2017. Mr. Hoong's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group's performance and the prevailing market conditions.

MR. LAM KIN-FUNG, JEFFREY

Mr. LAM Kin-Fung, Jeffrey (“**Mr. Lam**”) *GBS, JP*, aged 66, was appointed as an independent non-executive Director in September 2017. He is also the chairman and a member of the compensation committee of the Company and a member of the nomination committee of the Company. Mr. Lam holds a bachelor degree in mechanical engineering from Tufts University in the United States. He has over 30 years of experience in the toy industry and is currently the managing director of Forward Winsome Industries Limited which is engaged in toy manufacturing.

Mr. Lam is an independent non-executive director of Chow Tai Fook Jewellery Group Limited, C C Land Holdings Limited, China Overseas Grand Oceans Group Limited, Wynn Macau, Limited and CWT International Limited (formerly known as HNA Holding Group Co. Limited), all of which are listed public companies in Hong Kong. He was also an independent non-executive director of Hsin Chong Group Holdings Limited until his resignation on 10 May 2014 and Bracell Limited until his resignation on 1 November 2016 after its delisting from the Main Board of the Stock Exchange on 24 October 2016.

Mr. Lam is a member of the National Committee of the Chinese People's Political Consultative Conference. He also holds a number of other public and community service positions including being a non-official member of the Executive Council and a member of the Legislative Council in Hong Kong, a member of the board of Airport Authority Hong Kong, a general committee member of the Hong Kong General Chamber of Commerce, the chairman of

Independent Commission Against Corruption (ICAC) Complaints Committee, a member of Fight Crime Committee, a director of the Hong Kong Mortgage Corporation Limited and a member of the board of directors of Heifer International-Hong Kong.

Mr. Lam received a director's fee of HK\$17,753 for the year ended 31 December 2017. Mr. Lam's emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group's performance and the prevailing market conditions.

MR. HU SHAO MING HERMAN

Mr. HU Shao Ming Herman ("Mr. Hu") *SBS, JP, BSc, FCIBSE, FHKIE, MIEEE, C.Eng.*, aged 64, has been an independent non-executive Director of the Company since 2012. He is also a member of the compensation committee of the Company. He is the chairman of Ryoden Development Limited. Mr. Hu has been re-elected as a Deputy to the 13th National People's Congress. He is also a general committee member, executive committee member and chairman of Mainland China Committee of EFHK, the Vice-President of the Sports Federation & Olympic Committee of Hong Kong, China, an Honorary Court Member of Hong Kong University of Science & Technology, a member of the Election Committee of the Government of the HKSAR and the Vice Patron of The Community Chest of Hong Kong. He was awarded the Honour of Silver Bauhinia Star (SBS) by the Government of the Hong Kong Special Administrative Region of the People's Republic of China on 30 June 2017.

Mr. Hu received a director's fee of HK\$60,000 for the year ended 31 December 2017. Mr. Hu's endorsement was determined and will be received by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Group's performance and the prevailing market conditions.

Each of the Directors appointed on 15 September 2017, being Tan Sri Dato' David Chiu, Dr. Cheng, Dr. Adrian Cheng, Mr. Tsang, Mr. Hoong, Mr. Chiu, and Mr. Lam, has signed an appointment letter with the Company pursuant to which each has agreed to act as a Director for an initial term of three years commencing from the date of appointment and renewable automatically for successive terms of three years upon expiry of the then current term of appointment, unless terminated in accordance with the terms of the appointment letter. Mr. Hu has not entered into any service contract with the Company and is subject to the retirement requirements in accordance with the Articles of Association and the Corporate Governance Code.

So far as the Directors are aware, save as disclosed above, as at the Latest Practicable Date, (i) none of the Retiring Directors had any interest (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) in the securities of the Company; (ii) none of the Retiring Directors held other positions with the Company or other members of the Group; (iii) none of the Retiring Directors held, any directorship in any other listed public company during the preceding three years; (iv) none of the Retiring Directors had any other relationship with any other Directors, senior management or any substantial shareholders or controlling shareholders of the Company; and (v) in relation to the proposed re-election of the Retiring Directors, there is no information which is discloseable

pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

EXPLANATORY STATEMENT

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules which provides requisite information in connection with the proposed Buy-back Mandate and also constitutes the memorandum required under Section 239 of the Companies Ordinance:

SHARE CAPITAL

- (i) It is proposed that the Buy-back Mandate will authorise the buy-back by the Company of up to 10% of the total number of Shares in issue at the date of passing the resolution to approve the Buy-back Mandate (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of the resolution). As at 13 April 2018, being the Latest Practicable Date, the total number of Shares in issue was 6,206,020,156 Shares. On the basis of such figure (and assuming no new Shares will be issued and no Share will be bought back after the Latest Practicable Date and up to the date of passing such resolution), exercise in full of the Buy-back Mandate would result in the buy-back by the Company of up to 620,602,015 Shares.

REASONS FOR SHARE BUY-BACK

- (ii) The Directors believe that the general authority from the Shareholders to enable buy-back of Shares is in the best interests of the Company and the Shareholders. Buy-backs may, depending on the circumstances and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of the Buy-back Mandate to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

FUNDING OF BUY-BACK OF SHARES

- (iii) The funds required for any buy-back would be derived from the distributable profits of the Company or such other fundings legally available for such purpose in accordance with the Company's constitutive documents and the applicable laws of Hong Kong.
- (iv) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent audited financial statements for the year ended 31 December 2017) in the event that the Buy-back Mandate was exercised in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

UNDERTAKING

- (v) There are no Directors or (to the best of the knowledge of the Directors) any close associates (as defined in the Listing Rules) of the Directors who have a present intention, in the event that the Buy-back Mandate is granted by the Shareholders, to sell Shares to the Company.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

EFFECT OF THE TAKEOVERS CODE AND THE SHARE BUY-BACKS CODE

- (vii) Pursuant to Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code, if as a result of a Share bought by the Company, a substantial Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or 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 Rules 26 and 32 of the Takeovers Code.
- (viii) As at the Latest Practicable Date, as recorded in the register required to be kept by the Company pursuant to Section 336 under Part XV of the SFO and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the controlling Shareholder named below was interested in the total number of Shares in issue:

Name of Shareholder	Number of Shares interested	Approximate percentage of the total number of Shares in issue	Approximate percentage of the total number of Shares in issue if the Buy-back Mandate is exercised in full
Forever Top (Asia) Limited	<u>2,682,362,480</u>	<u>43.22</u>	<u>48.02</u>

- (ix) In the event that the Directors exercised in full the power to buy back Shares in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interests of Forever Top (Asia) Limited in the Shares would be increased to approximately 48.02% of the total number of Shares in issue. As such, such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors will be cautioned in exercising the Buy-back Mandate and have no intention to exercise the Buy-back Mandate to such extent as would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

- (x) Save as disclosed above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Buy-back Mandate.
- (xi) In addition, the Directors also have no intention to buy back Shares which would result in the amount of Shares held by the public being reduced to less than 25% of the total number of Shares in issue.

OTHER DISCLOSURES

- (xii) No buy-back has been made by the Company of Shares in the six months prior to the Latest Practicable Date.
- (xiii) No core connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell Shares to the Company in the event that the Buy-back Mandate is granted by the Shareholders.

SHARE PRICE

- (xiv) The highest and lowest prices at which Shares were traded on the Stock Exchange in each of the previous twelve months are as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
April 2017	0.479	0.286
May 2017	0.405	0.318
June 2017	0.355	0.302
July 2017	0.342	0.286
August 2017	0.370	0.255
September 2017	0.315	0.221
October 2017	0.275	0.223
November 2017	0.260	0.222
December 2017	0.232	0.202
January 2018	0.249	0.214
February 2018	0.223	0.183
March 2018	0.234	0.191
April 2018 (up to Latest Practicable Date)	0.200	0.184

Note: The highest and lowest prices of the Shares from April 2017 to August 2017 have been adjusted retrospectively to take into account the effect of the open offer which was dealt in on an entitlement basis commenced on 3 August 2017.

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved and adopted by ordinary resolution of the Shareholders at the AGM.

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentives to the Eligible Persons, to recognise and acknowledge the contributions that the Eligible Persons have made or may make to the Group and to promote the success of the business of the Group.

The Share Option Scheme provides that in granting Options under the Share Option Scheme the Company may specify a minimum holding period and performance conditions or targets which must be achieved before Options can be exercised by the Option holders. In addition, the basis for the determination of the exercise price of the Options has been set out in the Share Option Scheme. The Board considers that the aforesaid criteria and the terms of the Share Option Scheme will serve to preserve the value of the Company and encourage holders of Options to acquire proprietary interests in the Company.

2. WHO MAY JOIN

The Board may offer any Eligible Person Options to subscribe for Shares at a price calculated in accordance with paragraph 3 below and subject to the other terms of the Share Option Scheme summarised below. Upon acceptance of the Option, the grantee shall pay HK\$1.00 to the Company as consideration upon acceptance of the offer of such Option.

3. MAXIMUM NUMBER OF SHARES WHICH MAY BE ISSUED UPON EXERCISE OF ALL OPTIONS

- (A) The maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company shall not exceed such number of Shares as shall represent 30% of the total number of Shares in issue from time to time.
- (B) Subject always to the overall limit specified in paragraph 3(A) above:
 - (i) the Board may grant Options under the Share Option Scheme, generally and without further authority, up to the Scheme Mandate Limit. For the avoidance of doubt, Options lapsed in accordance with the Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit;
 - (ii) the Scheme Mandate Limit may be renewed by obtaining approval of the Shareholders in general meeting, provided that such renewed limit shall not exceed 10% of the total number of Shares in issue as at the date of approval of such limit (the “**Refreshed Limit**”). Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised Options) shall not be

counted for the purpose of calculating the Refreshed Limit. The Company shall send a circular to the Shareholders in accordance with and containing such information as required under Rule 17.02(2) of the Listing Rules; and

- (iii) the Board may grant Options in excess of the 10% limit to specifically identified Eligible Persons by first obtaining approval of the Shareholders in a general meeting to grant the Options in the amounts and to the Eligible Persons specified in the resolution. The Company shall send a circular to the Shareholders in accordance with and containing such information as required under Rule 17.02(2) of the Listing Rules.
- (C) Unless approved by the Shareholders in a general meeting in the manner as set out in paragraph 3(D) below (with such Eligible Person and his close associates (or his associates if the Eligible Person is a connected person) abstaining from voting), the total number of Shares issued and to be issued upon the exercise of the Options granted to each Eligible Person (including exercised, cancelled and outstanding Options) in any 12-month period shall not exceed 1% of the relevant class of securities of the Company in issue.
- (D) Further Options may be granted to an Eligible Person, which, if exercised, would result in such Eligible Person becoming entitled to subscribe for Shares in excess of the limit stated in paragraph 3(C) above, by obtaining approval of the Shareholders in general meeting with such Eligible Person and his close associate(s) abstaining from voting provided that the terms and number of Shares subject to the Options to be granted to such Eligible Person are fixed before the relevant approval of the Shareholders is obtained, and the date of the meeting of the Board proposing such further grant shall be deemed to be the date, which must be a Business Day, of the written notice from the Company granting Option to Eligible Persons (the “**Date of Grant**”) for the purpose of determining the exercise price of such Options. The Company shall send a circular to the Shareholders in accordance with and containing such information as required under Rules 17.02(2) and 17.03(4) of the Listing Rules.

4. PERFORMANCE TARGET

The Share Option Scheme does not set out performance targets which must be achieved before the Options may be exercised. However, on the grant of Options by the Board, the Board may specify, as part of the terms and conditions of such Option, the performance conditions or targets which must be satisfied before the Option can be exercised.

5. EXERCISE PRICE

The amount payable for each Share to be subscribed for under an Option in the event of the Option being exercised shall be determined by the Board and shall be not less than the greater of:

- (A) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on Date of Grant; and
- (B) the average closing price of the Shares on the Main Board of the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant.

6. RIGHTS ARE PERSONAL TO GRANTEE

An Option which has been duly granted and remains outstanding and exercisable in accordance with the Share Option Scheme and has neither lapsed nor been cancelled or exercised in full and, has been exercised in part as permitted by the terms of such Option, includes that part of the Option that has not been exercised and which has neither lapsed nor been cancelled (the "**Subsisting Option**") and an offer to grant an Option shall be personal to the Eligible Person to whom it is granted or made and shall not be assignable.

7. OPTIONS GRANTED TO DIRECTORS OR SUBSTANTIAL SHAREHOLDERS

- (A) Any Options granted to an Eligible Person who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates shall be approved by the independent non-executive Directors and, in any event, if the proposed grantee is an independent non-executive Director, the vote of such grantee shall not be counted for the purpose of approving such grant.
- (B) Any Options granted to an Eligible Person who is a substantial Shareholder, or independent non-executive Director, or their respective associates, which will result in the total number of Shares issued and to be issued upon exercise of all the Options granted and to be granted (including Options whether exercised, cancelled or still outstanding) to such person in the period of 12 months up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000 (or such other amount as may from time to time be specified by the Stock Exchange).

Such further grant of Options must be approved by the Shareholders in a general meeting by poll convened and held in accordance with the Articles of Association of the Company and the Listing Rules. The Company must dispatch a circular to the Shareholders containing such information as required under Rule 17.04(3) of the Listing Rules. The Eligible Person, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting.

8. GRANT OF OPTION

- (A) Each grantee of Options will receive an Option certificate sealed by the Company specifying the number of Options granted, the exercise period, the exercise price and the number of Shares that may be granted under such Options and specifying the applicable terms and conditions relating to such Options. These terms and conditions may include provisions as to the performance conditions or targets which must be satisfied before the Option can be exercised, the minimum period for which an Option must be held before it can be exercised, vesting conditions (if any), lapse conditions and such other provisions as the Board may determine provided such provisions are not inconsistent with the relevant requirements of the Share Option Scheme or the Listing Rules.
- (B) The Board shall not grant any Option under the Share Option Scheme after inside information has come to its knowledge until it has announced the information. In particular, it may not grant any Option during the period of one month immediately before the earlier of (1) the date of the Board meeting for the approval of the Company's interim or annual results, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish its interim or annual results announcement under the Listing Rules or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

9. TIME OF EXERCISE OF AN OPTION

An Option may be exercised in whole or in part by the Option holder in accordance with the terms of the Share Option Scheme at any time during the "**Exercise Period**", that is, the period to be notified by the Board to each Option holder upon the grant of Options, such period not to exceed ten years from the Date of Grant of the relevant Option.

10. CANCELLATION OF OPTIONS

- (A) Any cancellation of any Subsisting Option shall be conditional on the approval by the Board (including the approval of independent non-executive Directors) and the Option holder(s) concerned.
- (B) In the event that the Board elects to cancel Subsisting Options and issue new Options to the same Option holder, the issue of such new Options shall be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the Refreshed Limit, as the case may be.

11. VOTING AND DIVIDEND RIGHTS

No voting rights shall be exercisable and no dividends shall be payable in relation to Options that have not been exercised. A Share issued upon the exercise of an Option shall not carry voting rights until the registration of the grantee (or any other person) as the holder thereof.

12. EFFECTS OF ALTERATIONS IN THE CAPITAL STRUCTURE OF THE COMPANY

In the event of capitalisation issue, rights issue, consolidation of shares, subdivision or reduction of the share capital of the Company, in accordance with and subject to applicable laws and regulatory requirements (including the Supplementary Guidance, which requires adjustments as a result of an issue of securities with a price-dilutive element, such as rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures and the acceptable adjustments set out in the Supplementary Guidance), such corresponding alterations (if any) shall be made in relation to any Subsisting Option to: (i) the number of Shares subject to the unexercised Option; and/or (ii) the exercise price; and/or (iii) in the event of a consolidation and subdivision of the share capital of the Company after the adoption of the Share Option Scheme has been approved by the Shareholders at the AGM, the maximum number of Shares referred to in paragraph 3 above (so that the maximum number of Shares as a percentage of the total number of Shares in issue at the date immediately before and after such consolidation or subdivision shall be the same). Any such corresponding alterations to the Subsisting Option shall be certified in writing by the auditors of the Company or an independent financial adviser to be appointed by the Company for such purpose as being fair and reasonable and in compliance with the requirements set out in the Note to Rule 17.03(13) of the Listing Rules, and shall give an Option holder the same proportion of the total number of Shares in issue as that to which he was previously entitled but so that no such alteration shall have the effect of which would result in the aggregate amount payable on the exercise of any Option in full being increased. The Company will comply with applicable laws and regulations (including the Listing Rules and the Supplementary Guidance) when making such adjustments.

13. RIGHTS ON A TAKEOVER

If, during the Exercise Period, an offer is made to acquire all or part of the total number of Shares in issue (other than those held by the offeror and persons acting in concert with it) and such offer becomes or is declared unconditional, the Company shall give written notice to all persons then holding Subsisting Options and each such Option holder may, by notice in writing to the Company, within 14 days of the date of such notice, exercise his Option in full or to the extent specified in such notice.

14. RIGHTS ON SCHEMES OF COMPROMISE OR ARRANGEMENT

If, during the Exercise Period, an application is made to the court (otherwise than where the Company is being voluntarily wound up) in connection with a proposed compromise or arrangement between the Company and our creditors (or any class of them) or between the

Company and our members (or any class of them), an Option holder may by notice in writing to the Company, within a period of 21 days of the date of such application, exercise his Option in full or to the extent specified in such notice.

15. RIGHTS ON A VOLUNTARY WINDING UP

In the event of a notice of a meeting being convened to consider a resolution for the voluntary winding-up of the Company during the Exercise Period, the Company shall forthwith upon notice of such meeting being given, give written notice to Option holders of the convening of such meeting and an Option holder may thereupon by notice in writing to the Company exercise any Subsisting Option at any time not later than five Business Days prior to the proposed general meeting of the Company to its full extent or to the extent specified in such notice.

16. RANKING OF SHARES

Shares issued or transferred on the exercise of an Option shall rank equally in all respects with the other Shares of the same class in issue at the date of allotment (including, without limitation, as to voting, dividend and transfer and other rights and rights arising on the liquidation of the Company) and will be subject to all the provisions of the Articles of Association of the Company. They shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

17. DURATION OF THE SHARE OPTION SCHEME

The Share Option Scheme will remain in force for a period to be notified by the Board, such period shall not exceed the period of ten years from the Adoption Date.

18. AMENDMENT OF THE SHARE OPTION SCHEME

- (A) Subject to paragraph 18(B) below, the Board may amend any of the provisions of the Share Option Scheme or withdraw or otherwise terminate the Share Option Scheme at any time but no alterations shall be made to the advantage of any Option holder unless approved by the Shareholders in a general meeting. In addition, no alteration shall operate to affect adversely any rights which have accrued to any Option holder at that date.
- (B) The Company in a general meeting must approve in advance by ordinary resolution any proposed change which relates to the following:
 - (i) the persons to or for whom Shares may be provided under the Share Option Scheme;
 - (ii) the authority of the Board in relation to any alteration to the terms of the Share Option Scheme;

- (iii) the limitations on the number of Shares which may be issued under the Share Option Scheme;
 - (iv) the individual limit for each Option holder under the Share Option Scheme;
 - (v) the determination of the exercise price of the Option;
 - (vi) any rights attaching to the Options and the Shares;
 - (vii) the terms of granted Options;
 - (viii) the rights of Option holders in the event of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction or any other variation of share capital of the Company;
 - (ix) the provisions under the Share Option Scheme regarding the amendment of the Share Option Scheme;
 - (x) any matters set out in Rule 17.03 of the Listing Rules as amended from time to time; and
 - (xi) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature save where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (C) Except as described in paragraph 18(B) above, the Board need not obtain the approval of the Shareholders in a general meeting for any minor changes:
- (i) to benefit the administration of the Share Option Scheme;
 - (ii) to comply with or take account of the provisions of any proposed or existing legislation or the Listing Rules;
 - (iii) to take account of any changes to the legislation or the Listing Rules; or
 - (iv) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company or any of its subsidiaries or any present or future Option holder.
- (D) Unless otherwise approved by the Stock Exchange, the amended terms of the Share Option Scheme or the Subsisting Options shall comply with the relevant requirements of the Listing Rules.

19. LAPSE OF OPTIONS

An Option shall lapse forthwith (to the extent not already exercised) on the earliest of the following events:

- (A) expiry of the Exercise Period;
- (B) the first anniversary of the death of the Option holder;
- (C) in the case of an Option holder who is an employee of the Group or a Director, upon the Option holder ceasing to be an employee of the Group or the Director by reason of dismissal from employment or termination of office; in the case of an Option holder who is a consultant or adviser of the Group, by reason of termination by the Company or any members of the Group of the contract for provision of such services, in each case on the ground of:
 - (i) the Option holder's misconduct;
 - (ii) the Option holder committing an act of bankruptcy;
 - (iii) the Option holder becoming insolvent or making any arrangements or composition with his creditors generally; or
 - (iv) the Option holder being convicted of any criminal offense involving his or her integrity or honesty;
- (D) three months after the Option holder ceases to be an employee of the Group by reason of:
 - (i) his retirement on or after attaining normal retirement age;
 - (ii) his resignation;
 - (iii) ill health or disability;
 - (iv) the company by which he is employed ceasing to be a member of the Group;
 - (v) the expiry of his contract of employment with the Group; or
 - (vi) termination of his employment with the Group for reasons other than the reasons specified in paragraphs 19(A) and 19(B) above;
- (E) three months after the Option holder ceases to be a Director for reasons other than the reasons specified in paragraphs 19(B) and 19(C) above;

- (F) in the case of any takeovers, schemes of compromise or arrangement and liquidation, upon the expiry of the periods of notice as specified in the Share Option Scheme; provided that in the scheme of compromise or arrangement, such proposed compromise or arrangement becomes effective;
- (G) save as otherwise provided, in the case of a voluntary winding-up of the Company during the Exercise Period, upon the earlier of the close of business on the fifth Business Day prior to the general meeting convened to consider such voluntary winding-up or the date of the commencement of the winding-up of the Company;
- (H) upon any breach of the provision described in paragraph 6 above; or
- (I) in the case of an Option holder who is a consultant or adviser of the Group, on the date which is the earlier of: (1) the date which falls three months from the date on which the Option holder is notified of the resolution by the Board where the Board has resolved in its reasonable opinion that the Option holder no longer provides the consultancy or advisory (as appropriate) services to the Group; and (2) three months from the date on which the consultancy or advisory (as appropriate) services provided by the consultant or adviser is terminated.

20. TERMINATION

In the event that the Board elects to terminate the operation of the Share Option Scheme, no further Option shall be offered but the provisions of the Share Option Scheme shall remain in force in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of the Share Option Scheme.

21. DISCLOSURE OF THE SHARE OPTION SCHEME

The Company shall disclose all information as required by the Listing Rules or any other applicable rules and regulations in its annual and interim reports.

NOTICE OF ANNUAL GENERAL MEETING



i-CABLE COMMUNICATIONS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1097)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of i-CABLE Communications Limited (the “**Company**”) will be held at Ballroom, 1st Floor, Dorsett Tsuen Wan Hong Kong, 28 Kin Chuen Street, Kwai Chung, Kowloon, Hong Kong on Thursday, 24 May 2018 at 3:30 p.m. for the following purposes:

1. to receive the audited consolidated financial statements for the year ended 31 December 2017 and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company thereon;
2. to re-elect the following retiring Directors:
 - (a) Tan Sri Dato’ David Chiu as a non-executive Director;
 - (b) Dr. Cheng Kar-Shun, Henry as a non-executive Director;
 - (c) Dr. Cheng Chi-Kong, Adrian as a non-executive Director;
 - (d) Mr. Tsang On Yip, Patrick as a non-executive Director;
 - (e) Mr. Hoong Cheong Thard as a non-executive Director;
 - (f) Mr. Andrew Wah Wai Chiu as an executive Director;
 - (g) Mr. Lam Kin-Fung, Jeffrey as an independent non-executive Director; and
 - (h) Mr. Hu Shao Ming Herman as an independent non-executive Director.
3. to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
4. to appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

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

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to buy back shares in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares which may be bought back on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of ordinary shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the 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 law to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT:**

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

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to: (i) a Rights Issue (as defined below); or (ii) any scrip dividend or similar arrangement providing for the allotment of shares 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 the aggregate of:
- (i) 20% of the aggregate number of ordinary shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the passing of this Resolution); and
 - (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company pursuant to Resolution 7 set out in the notice convening this meeting) the number of shares of the Company bought back by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate number of ordinary shares of the Company in issue at the date of passing this Resolution) (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the passing of this Resolution),

and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the 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 law to be held; and
- (iii) the revocation or variation of the approval given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Company or by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to

NOTICE OF ANNUAL GENERAL MEETING

any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. “**THAT** the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with any additional shares of the Company pursuant to Resolution 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of such further additional shares as shall represent the aggregate number of shares of the Company bought back by the Company subsequent to the time of passing the said Resolution 6, provided that the number of shares so added shall not exceed 10% of the aggregate number of ordinary shares of the Company in issue at the date of passing Resolution 5 set out in the notice convening this meeting (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the passing of the said Resolution 5).”
8. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, on the Stock Exchange, any shares in the capital of the Company which may fall to be allotted and issued pursuant to the exercise of the share options granted under the share option scheme of the Company (the “**Share Option Scheme**”), the Share Option Scheme and the rules of the Share Option Scheme (the “**Rules of the Share Option Scheme**”) (a copy of which has been produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) be approved and the directors of the Company be authorised to grant options thereunder and to allot, issue and deal with the shares pursuant to the exercise of any options granted under the Share Option Scheme and to do all such acts and things and to sign, execute (under hand, under the common seal of the Company or otherwise as a deed) and deliver all such documents as may be necessary, desirable or expedient in order to implement or give effect to the Share Option Scheme and any matters arising from, relating to or incidental to the Share Option Scheme, including but not limited to making amendments, alterations and/or modifications to the Rules of the Share Option Scheme from time to time in accordance with the provisions of the Rules of the Share Option Scheme and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange or otherwise as may be acceptable or not objected to by the Stock Exchange.”

By Order of the Board
i-CABLE COMMUNICATIONS LIMITED
Kwok Chi Kin
Company Secretary

Hong Kong, 20 April 2018

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

8th Floor, Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
Hong Kong

Notes:

- (a) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint, at his/her own choice, another person as his/her proxy to attend and to speak, and in the event of a poll, to vote in his stead. A proxy need not be a member of the Company. He/she may appoint separate proxies to represent respectively such number of shares in the Company registered under his/her name.
- (b) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of that power of attorney or authority) must be deposited at the share registrar of the Company in Hong Kong (the “**Registrar**”), Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 3:30p.m. on Monday, 21 May 2018, or in case of any adjournment thereof, not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for holding such adjourned meeting. Forms of proxy sent electronically or by any other data transmission will not be accepted.
- (c) Completion and delivery of the form of proxy will not preclude a shareholder of the Company (the “**Shareholder**”) from attending and voting in person at the meeting if the Shareholder so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (d) Where there are joint registered holders of any ordinary shares of the Company (“**Shares**”), any one of such holders may vote at the meeting, either personally or by proxy, in respect of such Share(s) as if he/she was solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
- (e) With reference to the ordinary resolution proposed under item (6) above, the Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the mandate to be given thereunder.
- (f) The register of members of the Company will be closed from Thursday, 17 May 2018 to Thursday, 24 May 2018, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to ascertain shareholders’ rights for the purpose of attending and voting at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30p.m. on Wednesday, 16 May 2018.
- (g) If a typhoon signal No. 8 or above is in force at 12:00 noon on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company’s website (www.i-cablecomm.com) to notify the Shareholders of the date, time and venue of the rescheduled meeting.

As at the date hereof, the Board comprises ten Directors, namely Tan Sri Dato’ David Chiu (Chairman), Dr. Cheng Kar-Shun, Henry (Vice-chairman), Dr. Cheng Chi-Kong, Adrian, Mr. Tsang On Yip, Patrick and Mr. Hoong Cheong Thard as non-executive Directors, Mr. Andrew Wah Wai Chiu as executive Director, and Mr. Lam Kin-Fung, Jeffrey, Mr. Hu Shao Ming Herman, Mr. Luk Koon Hoo, Roger and Mr. Tang Sing Ming Sherman as independent non-executive Directors.