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

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LESSO 联塑

CHINA LESSO GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2128)

**PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Lesso Group Holdings Limited to be held at Nathan Room, M2 Floor, The Peninsula, Salisbury Road, Kowloon, Hong Kong at 10:30 a.m. on Monday, 27 May 2019, is set out on pages 14 to 18 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th 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 meeting. Completion and return of the form of proxy will not prevent Shareholders from subsequently attending and voting at the annual general meeting if they so wish.

23 April 2019

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company convened to be held at Nathan Room, M2 Floor, The Peninsula, Salisbury Road, Kowloon, Hong Kong at 10:30 a.m. on Monday, 27 May 2019, the notice of which is set out on pages 14 to 18 of this circular, or any adjournment thereof
“Board”	the board of Directors
“Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Company”	China Lesso Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Declaration of Dividend”	the declaration of a final dividend of HK20 cents per Share for the year ended 31 December 2018
“Director(s)”	the director(s) of the Company
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 25 May 2018 to allot, issue and deal with Shares not exceeding 20% of the aggregate number of Shares in issue as at 25 May 2018
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 25 May 2018 to repurchase Shares not exceeding 10% of the aggregate number of Shares in issue as at 25 May 2018
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	12 April 2019, being the latest practicable date for ascertaining certain information referred to in this circular prior to the bulk-printing of this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Administrative Region of the PRC and Taiwan
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate number of the issued Shares as at the date of passing of the relevant resolution granting the Proposed Repurchase Mandate
“Retiring Directors”	Mr. Wong Luen Hei, Mr. Kong Zhaocong, Dr. Lin Shaoquan, Mr. Wong Kwok Ho Jonathan and Mr. Cheng Dickson
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	registered holder(s) of the Shares
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *The English or Chinese translations in this circular, where indicated, denote for identification purposes only.*

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CHINA LESSO GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2128)

Executive Directors:

Mr. Wong Luen Hei (*Chairman*)
Mr. Zuo Manlun (*Chief executive*)
Ms. Zuo Xiaoping
Mr. Lai Zhiqiang
Mr. Kong Zhaocong
Mr. Chen Guonan
Dr. Lin Shaoquan
Mr. Huang Guirong
Mr. Luo Jianfeng
Mr. Lin Dewei

Independent non-executive Directors:

Mr. Wong Kwok Ho Jonathan
Mr. Cheung Man Yu
Ms. Lan Fang
Dr. Tao Zhigang
Mr. Cheng Dickson

Registered office:

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Principal place of business

in Hong Kong:
Unit 3, 12th Floor,
Tower 2,
South Seas Centre
75 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

23 April 2019

*To the Shareholders and, for information only,
holders of options of the Company*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information of the resolutions to be proposed at the Annual General Meeting for the approval of (a) granting the Directors a general mandate to allot, issue and deal with Shares of up to 20% of the aggregate

LETTER FROM THE BOARD

number of Shares in issue as at the date of passing the relevant resolution granting such mandate; (b) granting the Directors the Proposed Repurchase Mandate; (c) the extension of the general mandate to issue Shares by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate; (d) the proposed re-election of Retiring Directors and (e) the Declaration of Dividend.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 25 May 2018, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, among other matters, they are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

Resolutions set out as resolutions 6A(d) and 6B(c) in the notice of the Annual General Meeting will be proposed at the Annual General Meeting to revoke the Existing Issue Mandate and the Existing Repurchase Mandate respectively. New general mandate to allot, issue and deal with Shares of up to 20% of the aggregate number of Shares in issue (which shall amount to 3,102,418,400 Shares based on the number of issued Shares as at the Latest Practicable Date assuming there being no change to the number of issued Shares since the Latest Practicable Date) as at the date of passing the relevant resolution granting this mandate, as set out in resolutions 6A(a), (b), (c) and (e) and the Proposed Repurchase Mandate as set out in resolutions 6B(a), (b) and (d) will also be proposed at the Annual General Meeting. Such mandates shall continue until the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or (iii) the revocation or variation of the authority given under such mandate by ordinary resolution of Shareholders in general meeting. With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant to the relevant mandates.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix of this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution in relation to the Proposed Repurchase Mandate at the Annual General Meeting.

Resolutions set out as resolution 6C in the notice of the Annual General Meeting will also be proposed at the Annual General Meeting to extend the general mandate to issue Shares under resolution 6A by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In March 2019, the nomination committee of the Company (the “**Nomination Committee**”), after having reviewed the profile of the Retiring Directors who have offered themselves for reappointment at the Annual General Meeting to consider their suitability in light of the structure, size and composition of the Board, nominated the Retiring Directors to the Board for it to recommend to Shareholders for re-election as Directors at the Annual General Meeting. Mr. Wong Luen Hei and Mr. Wong Kwok Ho Jonathan who are members and present at the meeting of the Nomination Committee, abstained from voting at the meeting of the Nomination Committee when their respective nominations were being considered. The Board accepted the nomination by the Nomination Committee and recommended the Retiring Directors to stand for election by the Shareholders at the Annual General Meeting.

The nominations were made in accordance with the nomination policy of the Company and the objective criteria (including but not limited to: (a) attributes complementary to the Board, (b) business experience, board expertise and skills, (c) availability, (d) motivation, (e) integrity, (f) independence and (g) diversity (in all aspects), with due regard for the benefits of diversity as set out under the board diversity policy of the Company). The Nomination Committee had also taken into account the respective contributions of the Retiring Directors to the Board and their commitment to their roles.

In recommending each of Mr. Wong Kwok Ho Jonathan and Mr. Cheng Dickson to stand for re-election as an independent non-executive Director, the Nomination Committee has considered the following backgrounds and attributes of the nominees concerned:

- (a) Mr. Wong Kwok Ho Jonathan is currently a practising barrister of the High Court in Hong Kong with over 17 years of experience in civil and criminal litigation. He is a member of The Chartered Institute of Arbitrators. Mr. Wong has served on the Board for more than 9 years and he has never held any executive or management position in the Group nor has he, during such period, been under the employment of any member of the Group. The Directors noted the positive contribution of Mr. Wong to the development of the Company’s strategy and policies through his independent, constructive and informed contributions supported by his skills, expertise and qualification and from his active participation at meetings; and
- (b) Mr. Cheng Dickson has more than 23 years of experience in investment banking industry. He is currently the managing director and head of the investment banking department of Shanggu Securities Limited, and acts as its responsible officer and holds licences for types 1, 4 and 6 of regulated activities under the SFO.

The Nomination Committee considered that in view of their diverse and different educational backgrounds and professional knowledge and experience in the respective fields of legal, banking and international finance as mentioned in this circular, Mr. Wong Kwok Ho

LETTER FROM THE BOARD

Jonathan and Mr. Cheng Dickson as independent non-executive Directors will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments will contribute to the diversity (in particular in terms of skills) of the Board appropriate to the requirements of the Company's business.

The Nomination Committee also assessed and reviewed the annual confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules of each of Mr. Wong Kwok Ho Jonathan and Mr. Cheng Dickson, and re-affirmed the independency of each of Mr. Wong Kwok Ho Jonathan and Mr. Cheng Dickson. The Board considers that the long services of Mr. Wong Kwok Ho Jonathan would not affect his exercise of independent judgment, and is satisfied that Mr. Wong has the required character, integrity and experience to continue fulfilling the role of independent non-executive Director. The Board considers Mr. Wong to be independent and recommends Mr. Wong to be re-elected, which it considers is in the best interest of the Company and Shareholders as a whole.

According to the Company's articles of association, the Retiring Directors shall retire from office and then be eligible for re-election at the Annual General Meeting.

Brief biography of each of the Retiring Directors to be re-elected at the Annual General Meeting are set out below:

Executive Directors

Mr. Wong Luen Hei, aged 56, is the founder of the Group, the chairman of the Company and was appointed as an executive director of the Company on 5 November 2009. He is also a director of various companies within the Group. He is primarily responsible for the Group's overall strategic planning and business management. Mr. Wong has approximately 22 years of experience in plastic pipe operations and management. He served as the chairman in Foshan Shunde Liansu Industrial Co., Ltd. from December 1996 to April 1999 and was awarded "Outstanding Private Entrepreneur of Shunde" by Shunde People's Government of Foshan in 2003. Mr. Wong has been a permanent honorary president of Foshan Shunde Longjiang General Chamber of Commerce since 2018. Mr. Wong is the spouse of Ms. Zuo Xiaoping and the brother-in-law of Mr. Zuo Manlun.

Mr. Wong has entered into a service contract with the Company for a term of 3 years commencing from 1 January 2017 until terminated by not less than 3 months' notice in writing served by either party on the other. The remuneration of Mr. Wong is HK\$720,000 annually with discretionary bonus, which is determined by references to market rates and factors such as his work load, responsibility and job complexity are taken into account. Pursuant to the SFO, Mr. Wong, is deemed to be interested in 2,124,793,000 Shares, representing approximately 68.49% of the issued Shares as at the Latest Practicable Date.

Mr. Kong Zhacong, aged 53, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director, general manager or supervisor of various companies within the Group. Mr. Kong is primarily responsible for the

LETTER FROM THE BOARD

China's sales of the Group and has approximately 25 years of experience in the plastic pipe industry. Mr. Kong joined the Group in December 1999 and has held various positions in production management and sales since joining the Group. Prior to joining the Group, Mr. Kong served as a factory manager at Foshan City Dongjian Plastic Materials Factory from March 1993 to January 1999 and served as a manager in the production department of Foshan Shunde Liansu Industrial Co., Ltd. from January 1999 to November 1999.

Mr. Kong has no relationship with any directors, senior management and substantial or controlling shareholders of the Company. Mr. Kong has entered into service contracts with various companies within the Group each for a term of 3 years commencing from 1 January 2019 until terminated by not less than 3 months' notice in writing served by either party on the other. The remuneration of Mr. Kong is HK\$720,000 annually with discretionary bonus, which is determined by references to market rates and factors such as his work load, responsibility and job complexity are taken into account. Mr. Kong does not have any interests in Shares pursuant to the SFO.

Dr. Lin Shaoquan, aged 43, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies within the Group. Dr. Lin is primarily responsible for the research and development and overseas sales of the Group. Dr. Lin has approximately 16 years of experience in the plastic pipe industry. Dr. Lin joined the Group in July 2002 and has held various positions in research and development and overseas sales since joining the Group. Over the years, Dr. Lin has won various awards including "National May First Labour Medal" by All-China Federation of Trade Unions in 2006. Dr. Lin received a doctorate degree in polymer chemical and physics from Sun Yat-sen University in June 2002.

Dr. Lin has no relationship with any directors, senior management and substantial or controlling shareholders of the Company. Dr. Lin has entered into a service contract with the Group for a term of 3 years commencing from 1 January 2017 until terminated by not less than 3 months' notice in writing served by either party on the other. The remuneration of Dr. Lin is approximately US\$173,040 annually with discretionary bonus, which is determined by references to market rates and factors such as his workload, responsibility and job complexity are taken into account. Dr. Lin does not have any interests in Shares pursuant to the SFO.

Independent Non-executive Directors

Mr. Wong Kwok Ho Jonathan, aged 45, was appointed as an independent non-executive director of the Company on 27 February 2010. Since 2002, Mr. Wong has been practising as a barrister of the High Court in Hong Kong specialising in both civil and criminal litigation. Mr. Wong is a member of The Chartered Institute of Arbitrators. Mr. Wong obtained a bachelor's degree in business administration from Hawaii Pacific University in August 1997 and a bachelor's degree in law from City University of Hong Kong in November 2001. Mr. Wong received a postgraduate certificate in laws from City University of Hong Kong in July 2002.

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Mr. Wong has no relationship with any directors, senior management and substantial or controlling shareholders of the Company. Mr. Wong has not entered into any service agreement or contract of employment with the Company. Mr. Wong was appointed for a term of 3 years from 1 January 2017, but his appointment is subject to rotation and re-election at general meetings of the Company in accordance with the articles of association of the Company. Mr. Wong receives a remuneration of HK\$325,000 annually for his directorship with the Company. The emoluments were mutually agreed upon between the Board and Mr. Wong with reference to his duties and responsibilities towards the Company and prevailing market conditions. Mr. Wong does not have any interests in Shares pursuant to the SFO.

Mr. Cheng Dickson, aged 49, was appointed as an independent non-executive director of the Company on 11 July 2018. Mr. Cheng is currently the managing director and head of the investment banking department of Shanggu Securities Limited. He acts as its responsible officer and holds licences for types 1, 4 and 6 of regulated activities under the SFO.

Prior thereto, Mr. Cheng worked in J.P. Morgan between August 1994 and February 1996. In December 1995, he was promoted to TCRM professional in its global markets department. Between March 1996 and June 2000, Mr. Cheng worked in the securities lending department of The Bank of New York, Hong Kong Branch. From July 2000 to August 2002, Mr. Cheng worked as an assistant vice president in the equity capital markets division of BOCI Asia Limited. In August 2002, Mr. Cheng joined ICEA Capital Limited and worked in its investment banking division until October 2005 when he was a senior vice president. Mr. Cheng was an executive director at the respective capital markets department in the investment banking division of Mitsubishi UFJ Securities (HK) Capital, Limited and Mizuho Securities Asia Limited from November 2005 to October 2016. Mr. Cheng has more than 23 years of experience in investment banking industry. Mr. Cheng obtained a bachelor's degree in arts majoring in economics from University of Toronto in June 1994 and a master of applied finance degree majoring in corporate finance from Macquarie University of Australia in November 2000.

Mr. Cheng has no relationship with any directors, senior management and substantial or controlling shareholders of the Company. Mr. Cheng has not entered into any service agreement or contract of employment with the Company. Mr. Cheng was appointed for a term of 3 years from 11 July 2018, but his appointment is subject to rotation and re-election at general meetings of the Company in accordance with the articles of association of the Company. Mr. Cheng receives a remuneration of HK\$325,000 annually for his directorship with the Company. The emoluments were mutually agreed upon between the Board and Mr. Cheng with reference to his duties and responsibilities towards the Company and prevailing market conditions. Mr. Cheng does not have any interests in Shares pursuant to the SFO.

Save as disclosed above, there are no other matters relating to the re-election of the Retiring Directors that need to be brought to the attention of holders of securities of the Company and there is no information which is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

LETTER FROM THE BOARD

DECLARATION OF FINAL DIVIDEND

The Board has recommended to declare a final dividend of HK20 cents per Share for the year ended 31 December 2018. Subject to the passing of the resolution set out in resolution numbered 2 in the notice of the Annual General Meeting, the proposed final dividend will be paid on or about Monday, 17 June 2019 to Shareholders whose names appear on the Company's register of members on Wednesday, 5 June 2019.

The register of members of the Company will be closed from Monday, 3 June 2019 to Wednesday, 5 June 2019, both dates inclusive, during such period no transfer of Shares will be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 31 May 2019.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Nathan Room, M2 Floor, The Peninsula, Salisbury Road, Kowloon, Hong Kong at 10:30 a.m. on Monday, 27 May 2019 is set out on pages 14 to 18 of this circular.

There is enclosed a form of proxy for use at the Annual General Meeting. Whether or not the Shareholders intend to be present at the Annual General Meeting, they are requested to complete the form of proxy and return it to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting. Completion and delivery of the form of proxy will not prevent the Shareholders from attending, and voting at the Annual General Meeting if they so wish.

RECOMMENDATION

The Directors consider that the proposed resolutions for (i) granting the Directors a general mandate to allot, issue and deal with Shares of up to 20% of the aggregate number of Shares in issue as at the date of passing the relevant resolution granting such mandate; (ii) granting the Directors the Proposed Repurchase Mandate; (iii) the extension of the mandate in (i) above by adding to it the aggregate number of issued Shares repurchased under the Proposed Repurchase Mandate, (iv) the proposed re-election of Retiring Directors and (v) the Declaration of Dividend are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all resolutions as set out in the notice of the Annual General Meeting.

LETTER FROM THE BOARD

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 Group. 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.

GENERAL INFORMATION

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

Yours faithfully,
for and on behalf of the Board
China Lesso Group Holdings Limited
Wong Luen Hei
Chairman

APPENDIX EXPLANATORY STATEMENT OF PROPOSED REPURCHASE MANDATE

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

SOURCE OF FUNDS

Repurchases must be funded out of fund legally available for the purpose and in accordance with the Company's constitutional documents and the laws of the jurisdiction in which the Company was incorporated or otherwise established.

ISSUED SHARES

As at the Latest Practicable Date, the number of issued Shares comprised 3,102,418,400 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 310,241,840 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or articles of association of the Company or the date upon which such authority is revoked or varied by a 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 to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange. 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 a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that there may be adverse impact on the working capital or gearing position of the Company, as compared with the positions disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2018, in the event that the proposed Share repurchase was to be carried out in full at any time during the proposed repurchase period. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing levels.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares had been traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date:

Month	Highest trading price per Share	Lowest trading price per Share
	<i>HK\$</i>	<i>HK\$</i>
2018		
April	6.35	5.79
May	6.37	5.30
June	5.93	4.66
July	5.28	4.62
August	4.92	4.24
September	4.67	4.11
October	4.49	3.88
November	4.45	3.90
December	4.25	3.78
2019		
January	4.56	3.68
February	4.64	4.34
March	5.14	4.26
April (up to the Latest Practicable Date)	5.59	5.08

GENERAL

As at the Latest Practicable Date, to the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates (as defined in the Listing Rules) intended to sell any Shares to the Company in the event that the Proposed Repurchase Mandate is approved.

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

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) had notified the Company that he had an intention to sell any Shares to the Company, or had undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

APPENDIX EXPLANATORY STATEMENT OF PROPOSED REPURCHASE MANDATE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases. Such increase will be treated as an acquisition for the purposes of the Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date and so far as was known to the Directors, Mr. Wong Luen Hei, an executive Director and the parties acting in concert (as defined in the Code) with him were interested in a total of 2,132,954,000 Shares, representing approximately 68.75% of the aggregate number of issued Shares. On the basis that no further Shares will be issued or repurchased after the Latest Practicable Date, in the event that the Directors exercise the Proposed Repurchase Mandate in full, the shareholdings of Mr. Wong Luen Hei and the parties acting in concert (as defined in the Code) with him in the Company would be increased to approximately 76.39% of the aggregate number of issued Shares as reduced by the exercise of the Proposed Repurchase Mandate in full. Mr. Wong Luen Hei and parties acting in concert with him would not be required under Rule 26 of the Code to make a mandatory offer pursuant to such increase. The Directors have no present intention to exercise in full the power to repurchase Shares proposed to be granted pursuant to the Proposed Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares would be held in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares being held in public hands.

The Company had not repurchased any Shares on the Stock Exchange or otherwise during the 6 months immediately preceding the Latest Practicable Date.

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2128)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of China Lesso Group Holdings Limited (the “**Company**”) will be held at Nathan Room, M2 Floor, The Peninsula, Salisbury Road, Kowloon, Hong Kong at 10:30 a.m. on Monday, 27 May 2019 for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass, with or without modification, the following resolutions as ordinary resolutions of the Company.

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor of the Company for the year ended 31 December 2018;
2. To declare a final dividend of HK20 cents per share of the Company for the year ended 31 December 2018;
3. To re-elect each of the Retiring Directors, namely (a) Mr. Wong Luen Hei, (b) Mr. Kong Zhaocong, (c) Dr. Lin Shaoquan, (d) Mr. Wong Kwok Ho Jonathan and (e) Mr. Cheng Dickson (the “**Retiring Directors**”);
4. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the directors of the Company (the “**Directors**”);
5. To re-appoint Ernst & Young, certified public accountants, as independent auditor of the Company and to authorise the Board to fix its remuneration;
6. As special business, to consider and, if thought fit, pass, with or without modification, the following resolutions as ordinary resolutions of the Company:

NOTICE OF ANNUAL GENERAL MEETING

A. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or right to acquire Shares; and
 - (iv) any scrip dividend or similar arrangements providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company;shall not exceed 20% of the aggregate number of Shares in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

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(e) 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 law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares 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 may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited or on any other stock exchange recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs, and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of the Shares in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;

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- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; 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 law or the articles of association of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT** conditional upon the passing of Resolutions 6A and 6B as set out in the notice of this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 6A above be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to Resolution 6B above, provided that such amount shall not exceed 10% of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution.”

By order of the Board
China Lesso Group Holdings Limited
Wong Luen Hei
Chairman

Hong Kong, 23 April 2019

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Principal place of business in Hong Kong:

Unit 3, 12th Floor
Tower 2
South Seas Centre
75 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

Note:

1. Any member entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, this proxy form together with any power of attorney or other authority under which it is signed or a certified copy of such power of attorney must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof, (as the case may be).
3. In the case of joint holders, the vote of the senior who tenders a vote, whether present in person or by proxy, will be accepted to the exclusion of the vote(s) of other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. The register of members of the Company will be closed from Wednesday, 22 May 2019 to Monday, 27 May 2019, both dates inclusive, during such period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 21 May 2019.
5. The register of members of the Company will be closed from Monday, 3 June 2019 to Wednesday, 5 June 2019, both dates inclusive, during such period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 31 May 2019.

As at the date of this notice, the executive Directors are Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang, Mr. Kong Zhacong, Mr. Chen Guonan, Dr. Lin Shaoquan, Mr. Huang Guirong, Mr. Luo Jianfeng and Mr. Lin Dewei; and the independent non-executive Directors are Mr. Wong Kwok Ho Jonathan, Mr. Cheung Man Yu, Ms. Lan Fang, Dr. Tao Zhigang and Mr. Cheng Dickson.