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Kato (Hong Kong) Holdings Limited

嘉濤（香港）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2189)

RESIGNATION OF NON-EXECUTIVE DIRECTOR AND CHANGE OF CHAIRMAN OF THE BOARD

RESIGNATION OF NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD

The board (the “**Board**”) of the directors (the “**Director**”) of Kato (Hong Kong) Holdings Limited (“**Company**” and its subsidiaries, the “**Group**”) has received the written resignation tendered by Mr. Kwong Kai To (“**Mr. Kwong**”), pursuant to which Mr. Kwong resigned as the Chairman of the Board and a non-executive Director with effect from 15 October 2020 since he would like to devote more time to his family. Mr. Kwong has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited.

The Board would like to express its sincere gratitude to Mr. Kwong for his contributions to the Company during his tenure of office.

CHANGE OF CHAIRMAN OF THE BOARD

Following Mr. Kwong’s resignation, Mr. Ngai Shi Shing Godfrey (“**Mr. Ngai**”), currently an executive Director and chief executive officer of the Company, has been appointed as the Chairman of the Board with effect from 15 October 2020.

The particulars of Mr. Ngai is as follows:

Mr. Ngai, aged 46, was appointed as a Director on 19 April 2018 and was designated as an executive Director and chief executive officer on 2 October 2018. Mr. Ngai joined the Group in September 1998 as director and chief executive officer of Crawfield International Limited (“**Crawfield International**”). Mr. Ngai has over 20 years of experience in the residential carehome(s) for the elderly industry in Hong Kong. Mr. Ngai obtained (i) a Higher Diploma in Manufacturing Engineering (Product Engineering and Design) from Hong Kong Technical Colleges in July 1996, and (ii) a Master of Science in Engineering Business Management from The University of Warwick in January 1998.

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

Mr. Ngai has entered into a service agreement with the Company for an initial term of three years commencing from 13 June 2019 and he is subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Articles of Association. Mr. Ngai is entitled to a fixed salary of HK\$1,200,000 per annum plus a discretionary management bonus upon completion of every 12 months of service. Such salary is determined by the Board based on the recommendation of the remuneration committee of the Board with reference to his duties and responsibilities with the Company and the Company’s remuneration policy.

Mr. Ngai, as the sole beneficiary of The Kwong and Ngai Family Trust established pursuant to the trust deed dated 19 March 2018 as amended and supplemented by a deed of variation and removal of beneficiaries date 17 July 2018, is deemed to be interested in 624,000,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Ngai (i) has not held any other positions in the Company or other members of the Group; (ii) is not related to any other director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Mr. Ngai that needs to be brought to the attention of the Shareholders nor is Mr. Ngai involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

The Corporate Governance Code (the “**CG Code**”) provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Ngai serves as the chairman and also acts as chief executive officer of the Company, which constitutes a deviation from the code provision A.2.1. The Board is of the view that vesting both roles in Mr. Ngai will allow for more effective planning and execution of business strategies. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

By order by the Board
Kato (Hong Kong) Holdings Limited
Ngai Shi Shing Godfrey
Chairman and executive Director

Hong Kong, 23 October 2020

As at the date of this announcement, the executive Directors are Ms. Ngai Ka Yee and Mr. Ngai Shi Shing Godfrey; the non-executive Directors are Mr. Cheng Man Tak Richard and Mr. Poon Kai Kit Joe; and the independent non-executive Directors are Ms. Chiu Lai Kuen Susanna, Mr. Or Kevin and Mr. Wong Vinci.