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

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

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信德集團



SHUN TAK HOLDINGS

SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

Website: <http://www.shuntakgroup.com>

PROPOSALS FOR (1) GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES AND (2) RE-ELECTION OF DIRECTORS AND (3) ADOPTION OF 2022 SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of Shun Tak Holdings Limited to be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Wednesday, 29 June 2022 at 2:30 p.m. or any adjournment thereof is set out on pages 34 to 39 of this circular.

Whether or not you intend to attend the Annual General Meeting or any adjournment thereof, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the evolving COVID-19 situation and public health concerns, the Company will implement prevention and control measures at the Annual General Meeting against the spread of the COVID-19, which include without limitation:

- Compulsory body temperature checks and health declarations;
- Mandatory wearing of surgical face masks inside the Annual General Meeting venue at all time, and to maintain a safe distance between seats;
- No distribution of corporate gifts and refreshments; and
- Limitation of the number of attendees as may be permitted under the then applicable laws and regulations.

Any attendee, who (a) refuses to comply with the precautionary measures; (b) is subject to the Government's quarantine requirements or has close contact with any person under quarantine; (c) is subject to the Government's prescribed testing requirement or direction and has not tested negative; or (d) feels unwell or has any symptoms of COVID-19, will be denied entry into or be required to leave the Annual General Meeting venue at the absolute discretion of the Company as permitted by law.

It is possible that Shareholders and/or their proxies may not be able to attend in person at the Annual General Meeting venue depending on prevailing Government regulations. Shareholders are strongly encouraged to appoint the Chairman of the Annual General Meeting as their proxy and to return their proxy forms by the time specified above, instead of attending the Annual General Meeting in person.

Please refer to the precautionary measures for the Annual General Meeting for details on pages 1 to 2 of this circular.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the evolving COVID-19 situation, public health concerns, and recent requirements for prevention and control of its spread, the Company will implement prevention and control measures at the Annual General Meeting to protect the Shareholders, employees and other stakeholders from the risk of infection, which include without limitation:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the venue a health declaration form. Any person who does not comply with this requirement may be denied entry into the venue or be required to leave the venue.
- (iii) All attendees are required to wear surgical face masks inside the venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments or drinks will be served and there will be no corporate gifts. Instead, the Company had made donations to non-profit making organizations in order to give back to society and help those in need.
- (v) Seating at the venue will be arranged so as to allow appropriate social distancing. As a result, there will be limited capacity for Shareholders to attend the Annual General Meeting on a “first-come-first-served” basis. The Company will limit the number of attendees at the Annual General Meeting as may be permitted under the then applicable laws and regulations.
- (vi) Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

Any attendee, who (a) refuses to comply with the precautionary measures; (b) is subject to the Government’s quarantine requirements or has close contact with any person under quarantine; (c) is subject to the Government’s prescribed testing requirement or direction and has not tested negative; or (d) feels unwell or has any symptoms of COVID-19, will be denied entry into or be required to leave the Annual General Meeting venue at the absolute discretion of the Company as permitted by law.

Shareholders are requested (a) to consider carefully the risk of attending the Annual General Meeting, which will be held in an enclosed environment, (b) to follow any prevailing requirements or guidelines of the Government relating to COVID-19 in deciding whether or not to attend the Annual General Meeting, and (c) not to attend the Annual General Meeting if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

It is possible that Shareholders and/or their proxies may not be able to attend in person at the Annual General Meeting venue depending on prevailing Government regulations. Shareholders are strongly encouraged to appoint the Chairman of the Annual General Meeting as their proxy to vote on the resolutions, instead of attending the Annual General Meeting in person.

The proxy form is attached to this circular for the Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the Company's website at <http://www.shuntakgroup.com>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

Subject to the development of the COVID-19 pandemic and the requirements or guidelines of the Government and/or regulatory authorities, the Company may announce further updates on the Annual General Meeting arrangement on the Company's website (<http://www.shuntakgroup.com>) as and when appropriate.

If the Shareholders choosing not to attend the Annual General Meeting in person have any questions about the resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company's Company Secretarial Department or Investor Relations Department as follows:

Registered Office:	Penthouse 39th Floor, West Tower, Shun Tak Centre 200 Connaught Road Central, Hong Kong
Telephone:	(852) 2859 3111
Facsimile:	(852) 2857 7181
E-mail:	enquiry@shuntakgroup.com ir@shuntakgroup.com

If the Shareholders have any questions relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's Share Registrar as follows:

Address:	17M Floor, Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong
Telephone:	(852) 2862 8555
Facsimile:	(852) 2865 0990
Website:	http://www.computershare.com/hk/contact

DEFINITIONS

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

“Adoption Date”	the date on which the last of the conditions set out in the 2022 Share Option Scheme is fulfilled
“Affiliate”	a company that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of the holding company of the Company; or (c) a subsidiary of the Company; or (d) the controlling shareholder of the Company; or (e) a company controlled by the controlling shareholder of the Company; or (f) a company controlled by the Company; or (g) an associated company of the holding company of the Company; or (h) an associated company of the Company and “Affiliates” shall be construed accordingly
“Annual General Meeting”	the annual general meeting of the Company to be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Wednesday, 29 June 2022 at 2:30 p.m., notice of which is set out on pages 34 and 39 of this circular
“Articles of Association”	the Articles of Association of the Company
“associate”	has the meaning set out in Rule 1.01 of the Listing Rules
“associated company”	shall have the meaning as specified in the Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time; or a company over which the Company has significant influence
“Auditors”	the auditors of the Company, as appointed from time to time
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning number 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which the Stock Exchange is open for the business of dealing in securities
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to buy back Shares up to a maximum of 10 per cent. of the total number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting, details of which are set out in ordinary resolution no. 5 of the notice of the Annual General Meeting

DEFINITIONS

“Cause”	means, in relation to an Officer, termination of his employment on any one or more of the following grounds: <ul style="list-style-type: none">(a) that he has been guilty of misconduct;(b) that he has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally;(c) that he has been convicted of a criminal offence involving his integrity or honesty; or(d) on any other ground on which an employer would be entitled to immediately terminate his employment pursuant to applicable laws or under his employment contract
“Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 242)
“connected person”	has the meaning set out in Rule 1.01 of the Listing Rules
“control”	shall have the meaning as specified in the Takeovers Code, as amended from time to time and “is controlled by” or “controlling” shall be construed accordingly
“core connected person”	has the meaning set out in Rule 1.01 of the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 6 June 2012
“Grantee”	a Participant (or his Related Trust/Nominee) who accepts the offer of the grant of an Option in accordance with the terms of the 2022 Share Option Scheme or a person who, is entitled to any Option (to the extent not already exercised and has not lapsed) as a result of the death of any Participant
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“holding company”	has the meaning as in section 13 of the Companies Ordinance

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“immediate family members”	a spouse, a child or step-child, a parent or step-parent, a brother, sister, step-brother or step-sister; or a mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to issue new Shares up to 20 per cent. of the total number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting, details of which are set out in ordinary resolution no. 6 of the notice of the Annual General Meeting
“Latest Practicable Date”	25 May 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Date”	in respect of an Option, the date specified in the Offer Letter
“Offer Letter”	the letter pursuant to which the Company offers to grant Options to a Participant
“Officer”	any person employed by the Company or its Affiliates, any officer or Director (whether executive, non-executive or independent non-executive) of the Company or its Affiliates, whether full-time or part-time, and the term “Officer” shall include any proposed Officer, or a person for the time being seconded to work full-time or part-time for the Company or its Affiliates
“Option(s)”	a right to subscribe for such number of Shares granted under the 2022 Share Option Scheme which has neither lapsed nor been fully exercised and any part thereof
“Option Period”	in respect of an Option, a period of time determined by the Board at its absolute discretion during which the Option can be exercised (as specified in the Offer Letter), subject to a maximum of ten years commencing on the Offer Date
“Participant”	an Officer who, in the opinion of the Board, has made or will make contributions which are or may be beneficial to the Company and its business

DEFINITIONS

“Related Person”	a Director, chief executive or substantial shareholder of the Company or any of their respective associates and for the avoidance of doubt, excluding any person who is a proposed director or chief executive of the Company
“Related Trust/Nominee”	in relation to a Participant who is an individual, a trust solely for the benefit of the Participant and/or his immediate family members, and companies controlled solely by the Participant and/or his immediate family members
“Relevant Share Schemes”	any other share option schemes or share award schemes of the Company involving the issuance of new Shares by the Company to which Chapter 17 of the Listing Rules applies on the Adoption Date
“Scheme Administrator”	any person appointed by the Board pursuant to the 2022 Share Option Scheme to administer the day-to-day running of the 2022 Share Option Scheme
“Scheme Mandate”	the maximum number of Shares in respect of which Options may be granted to Participants under the 2022 Share Option Scheme
“Scheme Period”	the period of ten years commencing on the Adoption Date
“SFO”	the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares upon exercise of an Option as set out in the 2022 Share Option Scheme
“subsidiary”	has the meaning as defined in the Listing Rules and subsidiaries shall be construed accordingly
“substantial shareholder”	has the meaning set out in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“2022 Share Option Scheme”	the share option scheme proposed to be approved and adopted at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix 3 to this circular

LETTER FROM THE BOARD

信德集團



SHUN TAK HOLDINGS

SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

Website: <http://www.shuntakgroup.com>

Directors:

Ms. Pansy Ho (*Group Executive Chairman and
Managing Director*)

Mr. Norman Ho*

Mr. Charles Ho*

Mr. Michael Wu*

Mr. Kevin Yip*

Ms. Daisy Ho (*Deputy Managing Director*)

Ms. Maisy Ho

Mr. David Shum

Mr. Rogier Verhoeven

Registered Office:

Penthouse 39th Floor

West Tower, Shun Tak Centre

200 Connaught Road Central

Hong Kong

** Independent Non-Executive Director*

31 May 2022

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR
(1) GENERAL MANDATES
TO BUY BACK SHARES AND TO ISSUE SHARES
AND
(2) RE-ELECTION OF DIRECTORS
AND
(3) ADOPTION OF 2022 SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in connection with the resolutions to be proposed at the forthcoming Annual General Meeting to be held on Wednesday, 29 June 2022 at 2:30 p.m. for approving (i) the general mandates to the Directors to buy back Shares and to issue Shares; (ii) the re-election of Directors who are due to retire at the Annual General Meeting; and (iii) the adoption of the 2022 Share Option Scheme.

LETTER FROM THE BOARD

GENERAL MANDATE TO BUY BACK SHARES

At the Annual General Meeting, ordinary resolution no. 5 set out in the notice of the Annual General Meeting will be proposed pursuant to which, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to buy back Shares up to a maximum of 10 per cent. of the total number of Shares in issue as at the date of the passing of such ordinary resolution. The Buy-back Mandate shall have effect from the date of the passing of the relevant ordinary resolution at the Annual General Meeting until the earliest of the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required to be held, or the date when such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Buy-back Mandate is set out in Appendix 1 to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, ordinary resolutions no. 6 and no. 7 set out in the notice of the Annual General Meeting will be proposed pursuant to which, if passed, (i) proposed ordinary resolution no. 6 will give the Directors a general and unconditional mandate to issue new Shares up to 20 per cent. of the total number of Shares in issue as at the date of the passing of such ordinary resolution, which will be equivalent to a maximum of 604,075,957 Shares assuming there is no further change in the total number of issued Shares from the Latest Practicable Date up to the date of the Annual General Meeting; and (ii) proposed ordinary resolution no. 7 will extend the Issue Mandate by the addition thereto of the total number of Shares bought back by the Company pursuant to the Buy-back Mandate.

RE-ELECTION OF DIRECTORS

In accordance with Articles 83 and 84 of the Company's Articles of Association, Mr. Charles Ho, Mr. Kevin Yip, Ms. Daisy Ho and Mr. David Shum will retire by rotation and, being eligible, have offered themselves for re-election at the Annual General Meeting.

Recommendation of the Nomination Committee

On 25 March 2022, the nomination committee of the Company (the "**Nomination Committee**"), having reviewed the composition of the Board, nominated Mr. Charles Ho, Mr. Kevin Yip, Ms. Daisy Ho and Mr. David Shum to the Board for it to recommend to Shareholders for re-election at the Annual General Meeting. Each of Mr. Charles Ho, Mr. Kevin Yip and Ms. Daisy Ho who are members of the Nomination Committee was either absent or abstained from voting at the committee meeting when his or her own nomination was being considered.

LETTER FROM THE BOARD

The nominations were made in accordance with the Nomination Policy and the objective criteria (including without limitation, educational background, professional experience, skills, knowledge and personal qualities), with due regard for the benefits of diversity as set out under the Board Diversity Policy. The Nomination Committee had also taken into account the respective contributions of Mr. Charles Ho, Mr. Kevin Yip, Ms. Daisy Ho and Mr. David Shum to the Board, their competence, integrity and commitment to their roles.

The Nomination Committee has assessed the independence of Mr. Charles Ho and Mr. Kevin Yip (both being independent non-executive Directors), after their annual confirmations of independence were received. As of the Latest Practicable Date, the Company did not receive any notification from Mr. Charles Ho and Mr. Kevin Yip that there has been a subsequent change of circumstances which affected their independence. In addition, the Nomination Committee had evaluated their performance and is of the view that they have provided valuable contributions to the Company and demonstrated their abilities to provide independent, balanced and objective view to the Company's affairs. The Nomination Committee is also of the view that each of Mr. Charles Ho and Mr. Kevin Yip would bring to the Board their own perspective, skills and experience as described in their respective biographies in Appendix 2 to this circular and considers that each of them can contribute to the diversity of the Board, in particular, with their strong and diversified educational background, exposure in public affairs and professional experience in their expertise, including their in-depth knowledge in media, accounting, financial management and investment, property development, international and China experiences and connections in various sectors.

The Nomination Committee noted that Mr. Charles Ho has served on the Board as an independent non-executive Director for more than nine years since 2006. Pursuant to Code Provision B.2.3 of the Corporate Governance Code in Appendix 14 of the Listing Rules, if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Charles Ho has not engaged in any executive management of the Group. Taking into consideration his independent scope of works in the past years, impartiality, effective oversight of management and actual contributions mentioned above, the Directors consider Mr. Charles Ho to be independent under the Listing Rules despite the long services. Mr. Charles Ho shall be subject to retirement by rotation and re-election by way of a separate resolution to be approved by the Shareholders at the Annual General Meeting.

Therefore, the Board accepted Nomination Committee's nominations on 25 March 2022 and recommended Mr. Charles Ho, Mr. Kevin Yip, Ms. Daisy Ho and Mr. David Shum to stand for re-election by Shareholders at the Annual General Meeting. The Board considers that the re-election of Mr. Charles Ho, Mr. Kevin Yip, Ms. Daisy Ho and Mr. David Shum as Directors is in the best interest of the Company and Shareholders as a whole. Each of Mr. Charles Ho, Mr. Kevin Yip, Ms. Daisy Ho and Mr. David Shum was either absent or abstained from the discussion and voting at the Board meeting regarding their respective nominations.

LETTER FROM THE BOARD

At the Annual General Meeting, ordinary resolution no. 2 set out in the notice of the Annual General Meeting will be proposed pursuant to which, if passed, Ms. Daisy Ho and Mr. David Shum will be re-elected as executive Directors and Mr. Charles Ho and Mr. Kevin Yip will be re-elected as independent non-executive Directors (the “**Re-election of Directors**”). The proposed Re-election of Directors will be voted by separate resolutions. Their biographical details required to be disclosed pursuant to the Listing Rules are set out in Appendix 2 to this circular.

Further information about the Board’s composition and diversity (including their gender, age, expertise, skills and length of services) and Directors’ attendance records at Board or committee meetings are disclosed in the Corporate Governance Report of the Company’s 2021 Annual Report.

ADOPTION OF 2022 SHARE OPTION SCHEME

The Company’s Existing Share Option Scheme adopted on 6 June 2012 will expire on 5 June 2022. As at the Latest Practicable Date, there was no outstanding option under the Existing Share Option Scheme that has been granted but yet to be exercised. In view of the expiry of the Existing Share Option Scheme, the Board proposes to recommend to the Shareholders to approve the adoption of 2022 Share Option Scheme. A summary of the principal terms of the 2022 Share Option Scheme is set out in Appendix 3 to this circular.

Reason for adoption of the 2022 Share Option Scheme

The Board proposes to adopt the 2022 Share Option Scheme, based on the current terms and conditions under the Existing Share Option Scheme, for a period of ten years. The purpose of the 2022 Share Option Scheme is to (a) recognise, motivate and incentivise the Participants whom the Board considers to have made contributions, or will make contributions, to the Company so as to optimise their future contributions to the Company; and/or (b) attract and retain or otherwise maintain ongoing relationships with the Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Company’s business.

The scope of participants of the 2022 Share Option Scheme is limited to Officers of the Company or any Affiliate who, in the opinion of the Board, have made or will make contributions which are or may be beneficial to the Company and its business. The rules of the 2022 Share Option Scheme do not specify any minimum vesting period and/or performance targets as a condition for the exercise of an Option. However, with a view to retaining staff for the Group and to providing incentives for the staff, the Board is empowered to stipulate a minimum vesting period and/or performance targets as a condition for the exercise of the Option(s) on a case by case basis taking into account the relevant factors as the Board in its sole discretion considers appropriate. The Board believes that the discretion given to it under the 2022 Share Option Scheme to decide the minimum Subscription Price as well as to select the appropriate Participants will serve to protect the value of the Company as well as to achieve the purposes of the 2022 Share Option Scheme. On the above basis, the Board considers that the adoption of the 2022 Share Option Scheme is in the interests of the Company and the Shareholders as a whole. If there are any subsequent amendments to Chapter 17 of the Listing Rules after the Adoption Date whereupon a minimum vesting period and/or performance targets are required as conditions to grant of options and/or approval from the remuneration committee is required for grant of options to participants who are not Officers of the Group, the Company may consider complying with any such new requirements as and when it seeks for Shareholders’ approval for refreshment of the Scheme Mandate (if so required).

LETTER FROM THE BOARD

Conditions of the 2022 Share Option Scheme

The 2022 Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution to adopt the 2022 Share Option Scheme by the Shareholders; and
- (ii) the Stock Exchange approving the 2022 Share Option Scheme (and any Options which may be granted under it) and the listing of and permission to deal in any Shares to be allotted and issued pursuant to the terms and conditions of the 2022 Share Option Scheme.

Value of the Options

The Board considers that it is inappropriate to state the value of all the Options that can be granted under the 2022 Share Option Scheme as if they had been granted on the Latest Practicable Date as the variables which are critical for the calculation of the value of the Options cannot be determined. Such variables include but are not limited to the exercise price, exercise period and other variables. The Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

Listing and dealings

Application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may be issued and allotted pursuant to the 2022 Share Option Scheme. On the basis of 3,020,379,785 Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or bought back by the Company prior to the date of the passing of the resolution to adopt the 2022 Share Option Scheme, the Company may initially grant Options in respect of 302,037,978 Shares under the 2022 Share Option Scheme (representing 10 per cent. of the total number of issued Shares of the Company as at the date of the resolution to adopt the 2022 Share Option Scheme) (the “**Scheme Mandate**”). Subject to compliance with the applicable Listing Rules, the Company may seek approval of the Shareholders in general meetings for refreshing the 10 per cent. initial mandate limit, provided that the total number of issued Shares in respect of which Options may be granted under the 2022 Share Option Scheme and awards granted under the Relevant Share Schemes under the Scheme Mandate (as refreshed) must not exceed 10 per cent. of the total number of Shares in issue as at the date of such Shareholders’ approval.

The 2022 Share Option Scheme is in compliance with Chapter 17 of the Listing Rules, and the adoption of the 2022 Share Option Scheme is subject to the approval of the Shareholders at the Annual General Meeting. As at the Latest Practicable Date, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the adoption of the 2022 Share Option Scheme and no Shareholder will be required to abstain from voting on the resolution to approve the adoption of the 2022 Share Option Scheme.

No trustee will be appointed under the 2022 Share Option Scheme and hence, none of the Directors will be appointed as trustees of the 2022 Share Option Scheme.

LETTER FROM THE BOARD

A copy of the 2022 Share Option Scheme will be published on the website of the Stock Exchange and the website of the Company for 14 days from the date of this circular up to and including the date of the Annual General Meeting and will be available for inspection at the Annual General Meeting.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Wednesday, 29 June 2022 at 2:30 p.m. is set out on pages 34 to 39 of this circular.

In accordance with Article 58 of the Articles of Association, all the resolutions to be proposed at the Annual General Meeting will be taken by poll. An announcement on the poll results will be issued by the Company after the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

Enclosed with this circular is a form of proxy for use at the Annual General Meeting. Whether or not you intend to attend the Annual General Meeting or any adjournment thereof, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed resolutions in respect of (i) the granting of the Buy-back Mandate; (ii) the granting of the Issue Mandate and the extension thereof; (iii) the Re-election of Directors; and (iv) the adoption of the 2022 Share Option Scheme are each in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Shun Tak Holdings Limited
Pansy Ho
Group Executive Chairman and Managing Director

This appendix serves as an explanatory statement, as required under Rule 10.06(1) of the Listing Rules, to provide the requisite information to you for your consideration of the Buy-back Mandate and also constitutes the memorandum as required under Section 239(2) of the Companies Ordinance.

1. TOTAL NUMBER OF SHARES IN ISSUE

As at Latest Practicable Date, the total number of Shares in issue was 3,020,379,785. Subject to the passing of the ordinary resolution approving the Buy-back Mandate, and on the basis that no further Shares are issued or bought back and cancelled prior to the date of Annual General Meeting, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 302,037,978 Shares (representing 10 per cent. of the total number of issued Shares as at the date of the Annual General Meeting).

2. REASONS FOR BUY-BACK

The Directors believe that the flexibility afforded by the Buy-back Mandate would be beneficial to the Company and the Shareholders as a whole. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in future when depressed market conditions arise, buy-back of Shares may support the share price and lead to an enhancement of the net assets value of the Company and/or its earnings per Share. It would then be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares bought back by the Company.

3. FUNDING OF BUY-BACK

Buy-back would be funded entirely by the Company's available cash flow or working capital facilities which will be funds legally available for that purpose and in accordance with the Companies Ordinance and the Articles of Association.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in the Company's latest published audited financial statements for the year ended 31 December 2021) in the event that the Buy-back Mandate were to be exercised in full at any time during the period which the Buy-back Mandate remains in force.

However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would in the circumstances have a material adverse effect on the working capital requirements or gearing position of the Company as may be determined by the Directors from time to time to be appropriate for the Company.

4. SHARE PRICES

The highest and lowest traded prices at which the Shares were traded and recorded on the Stock Exchange during each of the twelve calendar months preceding the Latest Practicable Date and up to that date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
May	2.53	2.36
June	2.60	2.38
July	2.53	2.18
August	2.34	2.15
September	2.50	2.00
October	2.20	2.06
November	2.34	2.02
December	2.21	2.06
2022		
January	2.16	2.05
February	2.12	1.94
March	2.03	1.50
April	1.79	1.54
May (up to and including the Latest Practicable Date)	1.66	1.49

5. GENERAL

The Buy-back Mandate shall have effect from the date of the passing of the relevant ordinary resolution at the Annual General Meeting until the earliest of the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required to be held, or the date when such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the Companies Ordinance and the Articles of Association (as amended from time to time).

If as a result of a share buy-back a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any buy-backs which may be made under the Buy-back Mandate. As at the Latest Practicable Date, Renita Investments Limited, Oakmount Holdings Limited, Shun Tak Shipping Company, Limited and its subsidiaries (collectively “STS”), Megaprospers Investments Limited, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho were together beneficially interested in approximately 58.7 per cent. of the total number of issued Shares. Based on these shareholdings, and in the event that the Directors were to exercise in full the powers to buy back Shares under the Buy-back Mandate, the combined shareholdings of Renita Investments Limited, Oakmount Holdings Limited, STS, Megaprospers Investments Limited, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho would increase to approximately 65.2 per cent. of the total number of issued Shares.

The Directors have no present intention to exercise the Buy-back Mandate to such an extent that such exercise would result in takeover obligations under the Takeovers Code.

To the best of the Directors’ knowledge having made all reasonable enquiries, none of the Directors and their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company under the Buy-back Mandate if the Buy-back Mandate is approved by the Shareholders.

No core connected persons have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

6. SHARE BUY-BACKS MADE BY THE COMPANY

The Company had not bought back any Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

APPENDIX 2 PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting as required by Rule 13.51(2) of the Listing Rules:

Mr. Ho Tsu Kwok, Charles (“Mr. Charles Ho”), aged 72, has been an independent non-executive Director since 2006. He is also the chairman of the nomination committee and a member of the remuneration committee of the Company. Apart from the aforesaid, Mr. Charles Ho does not hold any other position in the Company or any subsidiary of the Company.

Mr. Charles Ho contributes much to public affairs. He is a member of the Standing Committee of the Chinese People’s Political Consultative Conference National Committee and an economic consultant of Shandong Provincial Government of the PRC. He is an honorary trustee of Peking University and a trustee of University of International Business and Economics in the PRC. He is also an honorary general committee member of The Chinese Manufacturers’ Association of Hong Kong. Mr. Charles Ho was the chairman and an executive director of Sing Tao News Corporation Limited, which is listed on the Main Board of the Stock Exchange. Save as disclosed herein, Mr. Charles Ho did not hold any directorship in other listed public companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. Charles Ho was awarded the Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region on 1 July 2014.

Mr. Charles Ho has no relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Charles Ho did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Charles Ho has an appointment letter with the Company pursuant to which he was appointed as an independent non-executive Director for specific term of three years. He is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. For the year ended 31 December 2021, Mr. Charles Ho was entitled to receive fees (as proposed by the Board based on the recommendation from the remuneration committee of the Company with reference to comparable business or scale listed in market benchmark reports conducted by independent external consultants) of (i) HK\$500,000 for being an independent non-executive Director as approved by the Shareholders at the last annual general meeting of the Company held on 1 June 2021 (“**2021 AGM**”); and (ii) HK\$60,000 for being the chairman of the nomination committee of the Company as determined by the Board with the authorisation granted by the Shareholders at 2021 AGM.

Save as disclosed herein, there are no other matters concerning Mr. Charles Ho that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX 2 PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION

Mr. Yip Ka Kay, Kevin (“Mr. Kevin Yip”), aged 57, was appointed as an independent non-executive Director in October 2015. He has been appointed as a member of the audit and risk management committee of the Company with effect from 11 January 2017; and a member of the nomination committee and remuneration committee of the Company with effect from 27 March 2019. Apart from the aforesaid, Mr. Kevin Yip does not hold any other position in the Company or any subsidiary of the Company.

Mr. Kevin Yip holds an A.B. Degree in Economics (magna cum laude) from Harvard University.

Mr. Kevin Yip is the managing director and responsible officer of GRE Investment Advisors Limited, a Hong Kong Securities and Futures Commission licensed advisor to NM Strategic Management, LLC. He is also a managing director of General Oriental Investments (HK) Limited, a wholly owned subsidiary of General Oriental Investments S.A., the investment manager of the Cavenham Group of Funds. Mr. Kevin Yip is also a non-executive director and a member of the audit committee of VCREDIT Holdings Limited which is listed on the Main Board of the Stock Exchange. Save as disclosed herein, Mr. Kevin Yip did not hold any directorship in other listed public companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. Kevin Yip has extensive experience in private equity, alternative and portfolio investment. He was previously managing director and responsible officer of Boser Asset Management (International) Co., Limited in Hong Kong. Prior to that he was a founding and senior partner of General Enterprise Management Services (HK) Limited, a private equity management company. He was previously a vice president of JP Morgan International Capital Corporation.

Mr. Kevin Yip is currently a member of the Investment Advisory Committee of EQT Partners, a leading private equity group in Europe, which works with portfolio companies to achieve sustainable growth, operational excellence and market leadership. He sits as a non-scientific member of the Institutional Review Board of the University of Hong Kong/Hospital Authority Hong Kong West Cluster and is a member of the Routine and Expedited Panel of the Hospital Authority Central Institutional Review Board. He was chairman emeritus of the Hong Kong Venture Capital and Private Equity Association. He had also served on the Financial Services Advisory Committee of the Trade Development Council of the Hong Kong Special Administrative Region of the People’s Republic of China.

Mr. Kevin Yip has no relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Kevin Yip did not have any interests in the Shares within the meaning of Part XV of the SFO.

APPENDIX 2 PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION

Mr. Kevin Yip has an appointment letter with the Company pursuant to which he was appointed as an independent non-executive Director for specific term of three years. He is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. For the year ended 31 December 2021, Mr. Kevin Yip was entitled to receive fees (as proposed by the Board based on the recommendation from the remuneration committee of the Company with reference to comparable business or scale listed in market benchmark reports conducted by independent external consultants) of (i) HK\$500,000 for being an independent non-executive Director as approved by the Shareholders at 2021 AGM; and (ii) HK\$100,000 for being a member of the audit and risk management committee of the Company as determined by the Board with the authorisation granted by the Shareholders at 2021 AGM.

Save as disclosed herein, there are no other matters concerning Mr. Kevin Yip that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Ms. Ho Chiu Fung, Daisy (“Ms. Daisy Ho”), aged 57, joined the Group in 1994 and was appointed an executive Director that year. She became the Group’s Deputy Managing Director and Chief Financial Officer in 1999. Ms. Daisy Ho is a member of the executive committee, remuneration committee and nomination committee of the Company and a director of a number of the Company’s subsidiaries. In addition to participating in the Group’s strategic planning and development, Ms. Daisy Ho is also responsible for the Group’s overall financial activities, as well as property development, sales and investments. She holds a Master of business administration degree in finance from the University of Toronto and a Bachelor’s degree in marketing from the University of Southern California.

Ms. Daisy Ho is the chairman of the board of directors of SJM Resorts, S.A. (formerly known as Sociedade de Jogos de Macau, S.A.), and the chairman and executive director of its holding company, SJM Holdings Limited which is listed on the Main Board of the Stock Exchange. Save as disclosed herein, Ms. Daisy Ho did not hold any directorship in other listed public companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Ms. Daisy Ho has been appointed as a member of Standing Committee on Judicial Salaries and Conditions of Service since January 2022.

Ms. Daisy Ho is Vice President and an executive committee member of The Real Estate Developers Association of Hong Kong, a member of the Hong Kong Institute of Real Estate Administrators, a Vice President of Macao Association of Building Contractors and Developers, a member and committee of Ladies Committee of The Chinese General Chamber of Commerce, Director of Macao Chamber of Commerce, a fellow of The Hong Kong Institute of Directors, Governor of The Canadian Chamber of Commerce in Hong Kong, Chairman (2020-2021) and Advisor (2021-2022) of Po Leung Kuk, Chairman of Hong Kong Ballet, Chairman cum Director of University of Toronto (Hong Kong) Foundation Limited and Chairman of its Scholarship Selection Committee, Chair of International Dean’s Advisory Board of Joseph L. Rotman School of Management - University of Toronto, World Fellow of The Duke of Edinburgh’s Award World Fellowship, Honorary Vice President of The Hong Kong Girl Guides Association and Honorary President of Hong Kong Federation of Women.

APPENDIX 2 PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION

Ms. Daisy Ho was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region on 1 July 2021.

Ms. Daisy Ho is a sister of Ms. Pansy Ho, the group executive chairman and managing director of the Company, and Ms. Maisy Ho, an executive Director of the Company. Ms. Daisy Ho has beneficial interests in and is a director of Shun Tak Shipping Company, Limited, Renita Investments Limited, Oakmount Holdings Limited and Megaprosper Investments Limited, all of which are the substantial shareholders of the Company. Save as disclosed herein, Ms. Daisy Ho has no other relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Ms. Daisy Ho had personal interests in 89,496,345 Shares; and corporate interests in 199,543,471 Shares and 148,883,374 unissued Shares within the meaning of Part XV of the SFO and as recorded in the register required to be kept under section 352 of the SFO.

Ms. Daisy Ho has an employment contract with the Company with no fixed term, but is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. For the year ended 31 December 2021, Ms. Daisy Ho was entitled to receive fees of HK\$50,000 for being a Director of the Company (as proposed by the Board based on the recommendation from the remuneration committee of the Company and approved by the Shareholders at 2021 AGM). She was further entitled to other emoluments of HK\$6,353,576 under her employment contract with the Company, which were reviewed and determined by the remuneration committee of the Company with responsibility delegated by the Board with reference to her skills, knowledge and involvement in the Company's affairs, the Company's performance and profitability, remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed herein, there are no other matters concerning Ms. Daisy Ho that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Shum Hong Kuen, David (“Mr. David Shum”), aged 67, joined the Group in 1992 and has been an executive Director since 2004. He is also a member of the executive committee of the Company and a director of a number of the Company's subsidiaries. He is responsible for the investment activities of the Group. Mr. David Shum holds a Master's degree in business administration from the University of California, Berkeley, the United States.

Mr. David Shum is an executive director of SJM Holdings Limited (which is listed on the Main Board of the Stock Exchange). Save as disclosed herein, Mr. David Shum did not hold any directorship in other listed public companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. David Shum has beneficial interests in and is a director of Shun Tak Shipping Company, Limited, a substantial shareholder of the Company. Save as disclosed herein, Mr. David Shum has no other relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

APPENDIX 2 PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION

As at the Latest Practicable Date, Mr. David Shum had personal interests in 5,660,377 Shares within the meaning of Part XV of the SFO and as recorded in the register required to be kept under section 352 of the SFO.

Mr. David Shum has an employment contract with the Company with no fixed term, but is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. For the year ended 31 December 2021, Mr. David Shum was entitled to receive fees of HK\$50,000 for being a Director of the Company (as proposed by the Board based on the recommendation from the remuneration committee of the Company and approved by the Shareholders at 2021 AGM). He was further entitled to other emoluments of HK\$3,497,234 under his employment contract with the Company, which were reviewed and determined by the remuneration committee of the Company with responsibility delegated by the Board with reference to his skills, knowledge and involvement in the Company's affairs, the Company's performance and profitability, remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed herein, there are no other matters concerning Mr. David Shum that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

The following is a summary of the principal terms of the 2022 Share Option Scheme to be approved by the Shareholders at the Annual General Meeting but such summary does not form part of, nor was it intended to be, part of the 2022 Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the 2022 Share Option Scheme:

(a) Purpose

The 2022 Share Option Scheme is established to:

- (i) recognise, motivate and incentivise the Participants whom the Board considers to have made contributions, or will make contributions, to the Company so as to optimise their future contributions to the Company; and/or
- (ii) attract and retain or otherwise maintain ongoing relationships with the Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Company's business.

(b) Participants of the 2022 Share Option Scheme and the basis of determining the eligibility of Participants

Participants of the 2022 Share Option Scheme shall be Officers who, in the opinion of the Board, have made or will make contributions which are or may be beneficial to the Company and its business.

The basis of eligibility of any Participant for the grant of Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Company and its business, their length of service, their role and position with the Company or the Affiliate, the importance of their skills and services to the Company as a whole and such other factors that the Board may consider appropriate.

(c) Status of the 2022 Share Option Scheme

(i) Conditions of the 2022 Share Option Scheme

The 2022 Share Option Scheme shall take effect subject to:

- (a) the passing of the necessary resolutions to adopt the 2022 Share Option Scheme by the Shareholders; and
- (b) the Stock Exchange approving the 2022 Share Option Scheme (and any Options which may be granted under it) and the listing of and permission to deal in any Shares to be allotted and issued pursuant to the exercise of Options under the 2022 Share Option Scheme.

(ii) *Scheme Period*

Subject to the fulfilment of the conditions in the sub-paragraph (c)(i) above, the 2022 Share Option Scheme shall be valid and effective from the Adoption Date until the end of the Scheme Period, after which time no further Options will be granted but the provisions of the 2022 Share Option Scheme shall remain in full force and effect in all other respects. In particular, all Options granted before the end of the Scheme Period shall continue to be valid and exercisable after the end of the Scheme Period in accordance with the terms of the 2022 Share Option Scheme.

(d) *Grant of options*

(i) *Offer of grant of Options*

Subject to the terms of the 2022 Share Option Scheme, the Board may offer to grant to any Participant an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price but otherwise on such terms as the Board thinks fit, provided that:

- (a) no Option shall be granted after the expiry of the Scheme Period or after the termination of the 2022 Share Option Scheme;
- (b) no Option shall be granted if the Company would be required to issue a prospectus or offer document in respect of such grant under relevant laws or regulations applicable to the Company; and
- (c) no Option shall be granted if the grant would result in a breach by the Company or its directors of relevant laws or regulations (including those relating to securities).

(ii) *Method of making an offer*

An offer of the grant of an Option shall be made to a Participant in writing in such form as the Board may from time to time determine, specifying the particulars relating to the Option as set out in the 2022 Share Option Scheme and requiring the Participant (or his Related Trust/Nominee) to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the 2022 Share Option Scheme. An offer must be made on a Business Day. The offer shall remain open for acceptance for a period of fifteen Business Days from the date on which it is made except that no offer shall be open for acceptance after the expiry of the Scheme Period or after the termination of the 2022 Share Option Scheme in accordance with sub-paragraph (n) below. Notwithstanding the prohibition on assignment in sub-paragraph (i) (iii) below, a Participant may designate his Related Trust/Nominee to accept the offer provided that the Board so agrees. For the avoidance of doubt, an offer is not capable of acceptance if the person purporting to be offered ceases to be a Participant after the offer has been made. Upon making an offer of grant of an Option to a Participant, the Company will publish an announcement disclosing information in relation to the offer in accordance with the Listing Rules.

(iii) *Acceptance of an Option*

An Option shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant of the Option shall have been received by the Company on or before the last day for acceptance. The remittance is not in any circumstances refundable. Once accepted, the Option is deemed or treated as being granted as from the Offer Date.

(iv) *Restrictions on time of grant*

- (a) No grant of Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until the price sensitive information has been announced pursuant to the Listing Rules or the price sensitive matter has been terminated or aborted (as the case may be), whichever is earlier.
- (b) No Option shall be granted during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for the Company to publish an announcement of its results for any year or half-year 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.
- (c) No grant of Options shall be made to a Participant who is a director of the Company during a period in which the directors are prohibited from dealing in the Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or the Company's own equivalent code.
- (d) No grant of Options shall be made during any period of delay in publishing a results announcement.

(v) *Grant to a Related Person*

Any grant of Options to a Grantee who is a Related Person must be approved by a majority of the independent non-executive directors of the Company (excluding any independent non-executive director who is also a proposed Grantee of the Options). Upon making an offer of grant of Options to the Related Person, the Company will publish an announcement disclosing information in relation to the offer (including the name of the Related Person to whom the offer is made and the number of Options offered to such Related Person) in accordance with the Listing Rules.

- (vi) *Grant to substantial shareholder and/or independent non-executive director*
- (a) Any grant of Options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting if the Shares issued and to be issued upon exercise of all Options already granted and proposed to be granted to him/her (whether exercised, cancelled or outstanding) in the 12-month period up to and including the proposed Offer Date:
- (i) would represent in aggregate more than 0.1 per cent. of the Shares then in issue; and
- (ii) if so required by the Listing Rules, would have 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 shall be permissible under the Listing Rules from time to time).
- (b) At the general meeting to approve the proposed grant of the Options under sub-paragraph (d)(vi)(a) above, the Grantee, his/her associates and all core connected persons of the Company must abstain from voting unless they are intending to vote against the proposed grant and that intention has been stated in the circular to be despatched to Shareholders in accordance with the Listing Rules. At the general meeting, the vote to approve the grant of such Options must be taken on a poll in accordance with the relevant provisions of the Listing Rules. The date of board meeting for proposing such grant, which must be a Business Day, should be taken as the Offer Date for such grant.
- (vii) *Changes in the terms of Options granted to substantial shareholders and independent non-executive directors*

Any proposed change in the terms of Options granted to a Grantee who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting. At the general meeting, all core connected persons of the Company must abstain from voting unless they are intending to vote against the proposed grant and that intention has been stated in the circular to be despatched to Shareholders in accordance with the Listing Rules. At the general meeting, the vote must be taken on a poll.

(e) *Subscription Price*

The Subscription Price shall, subject to any adjustment pursuant to sub-paragraph (g) below, be a price determined by the Board in its sole and absolute discretion but in any event shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the Offer Date; and
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date.

(f) *Maximum number of Shares available for subscription***(i) *Scheme Mandate***

Subject to sub-paragraphs (f)(ii) and (f)(iii) below, the maximum number of Shares in respect of which Options may be granted under the 2022 Share Option Scheme and any Relevant Share Schemes shall not in aggregate exceed 10 per cent. of the total number of Shares in issue as at the date of Shareholders' approval of the 2022 Share Option Scheme (**Scheme Mandate**), which is expected to be 302,037,978 Shares (or such number of shares of the Company as shall result from a sub-division or consolidation of such 302,037,978 Shares from time to time).

For the purpose of calculating the Scheme Mandate, Options which have lapsed in accordance with the terms of the 2022 Share Option Scheme shall not be counted.

(ii) *Refreshment of Scheme Mandate*

Subject to compliance with the Listing Rules, the Company may seek approval by its Shareholders in general meeting for refreshing the Scheme Mandate provided that the total number of Shares in respect of which Options may be granted under the 2022 Share Option Scheme and Relevant Share Schemes under the Scheme Mandate (as refreshed) must not exceed 10 per cent. of the total number of Shares in issue as at the date of such Shareholders' approval.

Options previously granted under the 2022 Share Option Scheme and the Relevant Share Schemes, including those outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted for the purpose of calculating the Scheme Mandate as refreshed.

(iii) *Grant of Options beyond Scheme Mandate*

The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate provided that the Options in excess of the Scheme Mandate are granted only to Participants who are specifically identified before such approval is sought. A circular will be sent by the Company to its Shareholders in accordance with the Listing Rules. The date of board meeting for proposing such further grant, which must be a Business Day, should be taken as the Offer Date for such grants.

(iv) *Maximum number of Shares issued pursuant to Options*

If so required under the Listing Rules, the limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2022 Share Option Scheme and the Relevant Share Schemes must not exceed such number of Shares as shall represent 30 per cent. of the Shares in issue from time to time. No Options may be granted if such grant will result in this 30 per cent. limit being exceeded.

(v) *Grantee's maximum holding*

Unless approved by the Shareholders in general meeting or otherwise in the manner prescribed in the Listing Rules, the Board shall not grant Options to any Grantee if the acceptance of those Options would result in the total number of Shares issued and to be issued to that Grantee on exercise of his Options (including both exercised and outstanding Options) during any 12-month period exceeding 1 per cent. of the total number of Shares then in issue. The date of board meeting for proposing such further grant, which must be a Business Day, should be taken as the Offer Date for such grants.

(g) *Reorganisation of capital structure*

(i) If there is any alteration in the capital structure of the Company whilst any Option becomes or remains exercisable (whether that alteration is by way of a capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company but not including an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board shall make (and shall notify to the Grantee) such corresponding alterations (if any) in:

- (a) the number and description of Shares subject to each Option;
- (b) the Subscription Price;
- (c) the method of exercise of the Option; and/or
- (d) the number of Shares subject to the 2022 Share Option Scheme;

that are required to give each Grantee the same proportion of the share capital as that to which the Grantee was previously entitled, but not so that the effect would be to enable any Share to be issued to a Grantee at less than its nominal value (if any).

(ii) *Auditors' certificate*

On any capital reorganisation (other than a capitalisation issue), the Auditors or an independent financial adviser shall certify in writing to the Board that the adjustments made by the Board pursuant to sub-paragraph (g)(i) above are in their opinion fair and reasonable.

(h) *Cancellation of Options*

(i) Subject to the consent from the relevant Grantee, the Board may at its discretion cancel Options previously granted to, and yet to be exercised by, a Grantee.

(ii) A Grantee whose Options are cancelled under sub-paragraph (h)(i) above may be issued new Options in accordance with the provisions of the 2022 Share Option Scheme, provided that the issue of such new Options is made with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in sub-paragraphs (f)(i), (f)(ii) and (f)(iii).

(i) *Exercise of Options*

(i) *Vesting mechanism*

The Board shall have a discretion to decide whether an Option is subject to a minimum vesting period, after taking into consideration factors such as the nature and timing of the contribution or benefit being recognized or awarded, the reason for such grant, his/her importance to the Company and such other factors as the Board may consider appropriate. An Option may not be exercised prior to vesting pursuant to the vesting mechanism, if any, specified in the Offer Letter.

(ii) *Performance targets*

The Board shall have a discretion to decide whether an Option is subject to the satisfaction of any performance targets, after taking into consideration factors such as the nature of the service provided, the position held with the Company or Affiliates, his/her importance to the Company and such other factors as the Board may consider appropriate. The performance targets, if any, specified in the Offer Letter must be achieved before an Option can be exercised.

(iii) *Assignment of Options*

An Option is personal to the Grantee and shall not be transferable or assignable. No Grantee shall sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so. In the case where the Grantee is a corporate entity, it shall not permit any change in its constitution, directors, shareholding or management which (in the opinion of the Board) is material or will result in a change in control of the Grantee. Where the Grantee is the Related Trust/Nominee of a Participant, the Option shall be deemed to have been assigned where such Grantee ceases to be the Related Trust/Nominee of that Participant (other than by reason of death or permanent disability of that Participant).

(j) *Rights attaching to the Shares*

The Shares to be allotted upon exercise of an Option will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the fully paid Shares in issue on the date of allotment. Accordingly, the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, provided that the record date for the dividend or distribution is a date on or after the date of allotment and, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members.

A Share issued upon the exercise of an Option shall not carry any voting rights until the registration of the Grantee or his nominee as the holder of the Share on the register of members of the Company is duly completed.

(k) *Time of Exercise of Options*

Subject to the terms of the 2022 Share Option Scheme and this paragraph (k), an Option may be exercised by the Grantee at any time during the Option Period except that:

- (i) if the Grantee (being an individual), or (in case the Grantee is a Related Trust/Nominee of a Participant) the relevant Participant, dies or becomes permanently disabled before exercising an Option (or exercising it in full), the Option (to the extent it is vested but not yet exercised) shall remain exercisable within a period of 12 months following the death or permanent disability of the Grantee (or the relevant Participant, as the case may be) or such longer period as the Board may determine provided that the Option must be exercised no later than the expiration of the Option Period;
- (ii) in the event of the Grantee, or (in case where the Grantee is a Related Trust/Nominee of a Participant) the relevant Participant, ceasing to be an Officer by reason of his retirement from the Company and/or its Affiliates pursuant to such retirement policy or scheme adopted by the Company and/or its Affiliates (if any) at the relevant time, the Option (to the extent vested but not exercised) held by such Officer shall be exercisable within a period of 12 months from the date of retirement;

- (iii) in the event of the Grantee, or (in case where the Grantee is a Related Trust/Nominee of a Participant) the relevant Participant, ceasing to be an Officer for Cause, the Option (to the extent that it is vested and not yet exercised) shall immediately lapse on the date on which the Grantee (or the relevant Participant, as the case may be) is notified of the termination of his employment and shall not be exercisable, unless the Board otherwise determines in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the Option held by such Officer has lapsed pursuant to this sub-paragraph shall be final and conclusive;
- (iv) in the event of the Grantee, or (in case where the Grantee is a Related Trust/Nominee of a Participant) the relevant Participant, ceasing to be an Officer other than pursuant to sub-paragraphs (k)(i) to (iii) above (including in the event of resignation, termination without Cause or disposal of a subsidiary or an Affiliate by which the Grantee (or the Participant, as the case may be) is employed), the Option (to the extent it is vested but yet exercised) shall remain exercisable within 3 months of the date of cessation of such employment or disposal (which date shall be the last actual working day with the relevant employing entity, whether salary is paid in lieu of notice or not) or for such longer period as is determined by the Board provided that the Option must be exercised no later than the expiration of the Option Period;
- (v) if a Grantee (being a corporate entity) (a) has a liquidator, provisional liquidator, receiver or any person carrying out any similar function appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee; or (b) has suspended ceased or threatened to suspend or cease business; or (c) is unable to pay its debts (within the meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) or any applicable law; or (d) otherwise becomes insolvent; or (e) suffers a change in its constitution, directors, shareholding or management which, in the absolute opinion of the Board, is material or constitutes a change in control; or (f) commits a breach of any contract entered into between the Grantee (or its associate) and the Company and/or its Affiliates, the Option (to the extent that it is vested and not already exercised) shall immediately lapse on the date of appointment of the liquidator or receiver or other similar person, or on the date of suspension or cessation of business, or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid, or on the date of notification by the Company that the said change in constitution, directors, shareholding or management is material or about the change in control, or on the date of the said breach of contract (as the case may be) and shall not be exercisable, unless the Board otherwise determines in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Option held by such Grantee has lapsed pursuant to this sub-paragraph by reason of the occurrence of event (e) above or a breach of contract as aforesaid shall be final and conclusive;

- (vi) if a Grantee (being an individual and not an Officer) (a) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Cap. 6) or any other applicable law or has otherwise become insolvent; or (b) has made any arrangements or compositions with his creditors generally; or (c) has been convicted of any criminal offence involving his integrity or honesty; or (d) is guilty of misconduct; or (e) commits a breach of any contract entered into between the Grantee (or his associate) and the Company and/or its Affiliates, the Option (to the extent that it is vested but not yet exercised) shall immediately lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid, or on the date on which a petition for bankruptcy has been presented in any jurisdiction, or on the date on which he enters into the said arrangement or composition with his creditors, or on the date of his conviction, or on the date on which he is guilty of misconduct or on the date of the said breach of contract (as the case may be) and shall not be exercisable, unless the Board otherwise determines in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Option held by such Grantee has lapsed pursuant to this sub-paragraph by reason of misconduct or a breach of contract as aforesaid shall be final and conclusive;
- (vii) in the case where the Grantee (or the relevant Participant) is not an Officer and where not specifically covered by sub-paragraphs (k)(v) to (vi) above, if (a) the Board in its absolute discretion at any time determines that a Grantee has ceased to be a Participant; or (b) a Grantee has failed to satisfy or comply with, or no longer satisfies or complies with, such criteria or terms and conditions that may be attached to the grant of the Option or which formed the basis on which the Option was granted, the Option (to the extent that it is vested but not yet exercised) shall immediately lapse on the date on which the Grantee is notified thereof (in the case of (a)) or on the date on which the Grantee has failed to satisfy or comply with, or no longer satisfies or complies with, such criteria or terms and conditions as aforesaid (in the case of (b)) and shall not be exercisable, unless the Board otherwise determines in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure/non-satisfaction/non-compliance. In the case of (a), a resolution of the Board resolving that the Option held by such Grantee has lapsed pursuant to this sub-paragraph shall be final and conclusive;
- (viii) if a general offer (whether by way of takeover offer, scheme of arrangement or otherwise) is made to all the holders of Shares (or all holders other than the offeror and its concert parties and persons controlled by the offeror) and the offer becomes or is declared unconditional during the Option Period of an outstanding Option, the Grantee shall be entitled to exercise the Option (to the extent it is vested but not yet exercised) at any time before the expiry of the period of ten Business Days following the date on which the offer becomes or is declared unconditional. For the avoidance of doubt, an Option not so exercised shall lapse automatically on the expiry of the aforesaid period of ten Business Days;

- (ix) if a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each of its Shareholders give notice to all Grantees (together with a notice of the existence of the provisions of this Clause). Upon receipt of such notice, each Grantee shall be entitled to exercise all or any of the Option (to the extent it is vested but not yet exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Upon receipt of such notice together with the remittance by the Company, the Company shall as soon as possible and, in any event, no later than one Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. The allotted Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation. Subject to the above, an Option will lapse automatically (to the extent not already exercised) on the date of commencement of the winding up of the Company; and
- (x) if a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to the Grantee on the same day as it gives notice of the meeting to its Shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the Grantee may, during the period commencing on the date of the notice and ending on the earlier of:
- (a) the date two months thereafter; and
 - (b) the date on which such compromise or arrangement is sanctioned by the court;

exercise the Option (to the extent it is vested but not yet exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. Upon such compromise or arrangement becoming effective, all Options for the time being outstanding shall lapse except insofar as previously exercised under this Clause. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented by the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored and shall thereupon become exercisable (but subject to the other terms of the 2022 Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

(l) *Lapse of Options*

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

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods and/or the date(s) referred to in sub-paragraphs (k)(i) to (iv) above;
- (iii) the date on which the Grantee is notified of the occurrence of relevant events or the date of occurrence of relevant events (as the case may be) as mentioned in sub-paragraphs (k)(v) to (viii) above and, in each such case, a resolution of the Board resolving that the Option held by such Grantee has lapsed pursuant to sub-paragraphs (k)(v) to (viii) above shall be final and conclusive;
- (iv) the date of the commencement of the winding-up of the Company in respect of the situation contemplated by sub-paragraph (k)(ix) above;
- (v) the date the scheme or compromise referred to in sub-paragraph (k)(x) above becomes effective;
- (vi) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Letter.

(m) *Amendment of the 2022 Share Option Scheme*

- (i) *Amendments requiring Board approval*
 - (a) Any amendment to the 2022 Share Option Scheme other than those set out in sub-paragraph (m)(ii) below must be approved by a resolution of the Board or by the Scheme Administrator.
 - (b) Subject to the Listing Rules and the terms of the 2022 Share Option Scheme, the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in the Offer Letter on compassionate or any other grounds.
- (ii) *Amendments requiring Shareholders' approval*

The following matters require the prior sanction of a resolution of the Shareholders in general meeting:

- (a) any change to the provisions of:
 - (i) the purpose of the 2022 Share Option Scheme;
 - (ii) the definitions of “Grantee”, “Option Period”, “Participant” and “Scheme Period” contained in the 2022 Share Option Scheme; and

- (iii) the provisions relating to the Scheme Period, grant of Options, Subscription Price, granting Options to connected persons, exercise of Options, lapse of Options, maximum number of Shares available for subscription, cancellation of Options, reorganisation of capital structure, termination and the amendments requiring Shareholders' approval;

which operates to the advantage of Participants or Grantees provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares;

- (b) any change to the authority of the Board or the Scheme Administrator in relation to any alteration to the terms of the 2022 Share Option Scheme;
- (c) any amendment to the terms and conditions of the 2022 Share Option Scheme which are of a material nature, save where the alterations take effect automatically under the existing terms of the 2022 Share Option Scheme; and
- (d) any change to the terms of Options granted.

(n) Termination

The Company may at any time terminate the operation of the 2022 Share Option Scheme by resolution of the Board or resolution of the Shareholders in general meeting and, in such event, no further Options will be offered but the provisions of the 2022 Share Option Scheme shall remain in force in all other respects. In particular, all Options granted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the 2022 Share Option Scheme.

(o) Disputes

The Board shall determine any question of interpretation and settle any dispute arising under or in connection with the 2022 Share Option Scheme. In such matters, the Board's decision shall be final. Should the Board in its discretion consider necessary, any dispute may be subsequently referred to the Auditor or such independent financial adviser for decision.

NOTICE OF ANNUAL GENERAL MEETING

信德集團

SHUN TAK HOLDINGS

SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

Website: <http://www.shuntakgroup.com>

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Shun Tak Holdings Limited (the “**Company**”) will be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Wednesday, 29 June 2022 at 2:30 p.m. (subject to any contingency measures which may be announced as appropriate) for the following purposes:

1. To consider and receive the audited consolidated financial statements of the Company and the reports of the directors and the independent auditor thereon for the year ended 31 December 2021.
2. To re-elect the following directors of the Company:
 - (i) Mr. Ho Tsu Kwok, Charles as an independent non-executive director;
 - (ii) Mr. Yip Ka Kay, Kevin as an independent non-executive director;
 - (iii) Ms. Ho Chiu Fung, Daisy as an executive director; and
 - (iv) Mr. Shum Hong Kuen, David as an executive director.
3. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**That** unless the shareholders of the Company in annual general meeting otherwise determine, the directors’ fees for the year ending 31 December 2022 be fixed at HK\$500,000 for each independent non-executive director and HK\$50,000 for each other director.”

NOTICE OF ANNUAL GENERAL MEETING

4. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorise the board of directors of the Company (the “**Board**”) to fix its remuneration.

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

ORDINARY RESOLUTIONS

5. “**That:**
- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company in issue be and is hereby generally and unconditionally approved;
 - (b) the total number of shares of the Company which may be bought back on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Buy-backs pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the total number of shares of the Company in issue as at the date of the passing of this Resolution (subject to adjustment in the case of any subdivision and consolidation of the shares of the Company 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 earlier 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.”

NOTICE OF ANNUAL GENERAL MEETING

6. “That:

- (a) subject to paragraph (c) of this Resolution and pursuant to Sections 140 and 141 of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company 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) of this Resolution, other than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of any rights of subscription or conversion under the terms of any warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company, (iii) any option scheme or similar arrangement for the time being adopted or will be adopted for the grant or issue of shares or rights to acquire shares of the Company, or (iv) 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 20 per cent. of the total number of shares of the Company in issue as at the date of the passing of this Resolution (subject to adjustment in the case of any subdivision and consolidation of the shares of the Company after the passing of this Resolution); and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities), (subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

7. “**That**, conditional upon the passing of Resolutions no. 5 and no. 6 set out in the notice convening this meeting, the total number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Resolution no. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of a total number of shares of the Company bought back by the Company pursuant to Resolution no. 5 set out in the notice convening this meeting, provided that such extended number of shares shall not exceed 10 per cent. of total number of shares of the Company in issue as at the date of the passing of this Resolution (subject to adjustment in the case of any subdivision and consolidation of the shares of the Company after the passing of this Resolution).”

8. “**That**, subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, shares in the capital of the Company which may fall to be issued pursuant to the exercise of any options granted under the 2022 share option scheme of the Company, as defined and summarised in the circular dated 31 May 2022 of the Company (the rules of which are contained in the document marked “A” produced to the meeting and signed by the Chairman of this meeting for the purposes of identification) (the “**2022 Share Option Scheme**”), the 2022 Share Option Scheme be and is hereby approved and adopted by the Company and that the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2022 Share Option Scheme including but without limitation:
 - (a) to administer the 2022 Share Option Scheme under which options will be granted to participants eligible under the 2022 Share Option Scheme to subscribe for shares of the Company;
 - (b) to modify and/or amend the 2022 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms and provisions of the 2022 Share Option Scheme relating to modification and/or amendment;
 - (c) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued and allotted pursuant to the exercise of the options granted under the 2022 Share Option Scheme;

NOTICE OF ANNUAL GENERAL MEETING

- (d) to make application at the appropriate time or times to the Stock Exchange for listing of and permission to deal in any shares of the Company which may from time to time be issued and allotted pursuant to the exercise of the options granted under the 2022 Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2022 Share Option Scheme.”

By Order of the Board
Shun Tak Holdings Limited
Angela Tsang
Company Secretary

Hong Kong, 31 May 2022

Registered Office:

Penthouse 39th Floor, West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Notes:

- i. A member of the Company entitled to attend and vote at the above annual general meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her stead. A proxy need not be a member of the Company.
- ii. In order to be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or other authority must be deposited at the Company’s registered office not less than 48 hours before the time appointed for holding the above annual general meeting or any adjourned meeting thereof.
- iii. The register of members of the Company will be closed from Thursday, 23 June 2022 to Wednesday, 29 June 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the above annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s 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 Wednesday, 22 June 2022.
- iv. With regard to the proposed resolution no. 5 above, the directors of the Company wish to draw the attention of the shareholders to the circular (accompanying this notice) which summarises the more important provisions of the Rules Governing the Listing of Securities on the Stock Exchange relating to the buy-back of shares on the Stock Exchange. The present general mandate to buy back shares given by the shareholders will expire at the conclusion of the above annual general meeting and, accordingly, the proposed resolution no. 5 in this notice is to seek shareholders’ approval for renewal of the general mandate to buy back shares.

NOTICE OF ANNUAL GENERAL MEETING

- v. With regard to the proposed resolution no. 6 above, the directors of the Company wish to state that, currently, they have no plans to issue any additional new shares of the Company (other than pursuant to any of items (ii), (iii) or (iv) contained in paragraph (c) of the proposed resolution no. 6). The present general mandate to issue shares given by the shareholders will expire at the conclusion of the above annual general meeting and, accordingly, the proposed resolution no. 6 is to seek shareholders' approval for renewal of the general mandate to issue shares.
- vi. In accordance with Article 58 of the Articles of Association of the Company, all resolutions to be proposed at the above annual general meeting will be taken by poll.
- vii. In case the above annual general meeting is anticipated to be affected by black rainstorm signal or tropical cyclone with warning signal no. 8 or above, please refer to the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and the Company's website at <http://www.shuntakgroup.com> for announcement on bad weather arrangement for the annual general meeting.
- viii. **PRECAUTIONARY MEASURE ARRANGEMENTS:**

In view of the evolving COVID-19 situation, the Board is monitoring closely how matters develop over the coming weeks. Shareholders are encouraged to watch the Company's website at <http://www.shuntakgroup.com> for any updates in relation to the annual general meeting and to heed advice from government, public health bodies and other relevant parties before attending the annual general meeting.

Shareholders of the Company are strongly encouraged to exercise their voting rights by submitting proxy forms appointing the Chairman of the annual general meeting as their proxy to vote on the resolutions at the annual general meeting instead of attending the annual general meeting in person.