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

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

**If you have sold or transferred** all your shares in Shaw Brothers Holdings Limited (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**SHAW BROTHERS HOLDINGS LIMITED**  
**邵氏兄弟控股有限公司**

(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 00953)

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES;**  
**(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**  
**(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held on 2 June 2022 (Thursday) at 11:30 a.m. at Opera II, B3, Intercontinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong is set out on pages 28 to 35 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:30 a.m. on Tuesday, 31 May 2022) before the time appointed for holding the annual general meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so desire.

29 April 2022

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by resolution of the Shareholders in general meeting;
“AGM”	the annual general meeting of the Company to be held on 2 June 2022 (Thursday) at 11:30 a.m. at Opera II, B3, Intercontinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, or any adjournment thereof;
“AGM Notice”	the notice dated 29 April 2022 convening the AGM as set out on pages 28 to 35 of this circular;
“Articles”	the articles of association of the Company, as originally adopted or as from time to time altered in accordance with the Companies Law (Chapter 22) of the Cayman Islands or any applicable laws;
“associate”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors of the Company (and when such defined term is used in the context of Appendix I to this circular, shall also include any duly authorised committee of the board of Directors);
“Business Day(s)”	day(s) (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities;
“close associate(s)”	has the same meaning as defined in the Listing Rules;
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Company”	Shaw Brothers Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 00953);

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## DEFINITIONS

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“core connected person(s)”	has the same meaning as defined in the Listing Rules;
“Director(s)”	the directors of the Company;
“Exercise Period”	a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the New Share Option Scheme;
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the terms of the New Share Option Scheme;
“Grantee(s)”	any Participant who accepts an offer in accordance with the terms of the New Share Option Scheme or (where the context permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and/or its subsidiaries from time to time;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares as set out in resolution no.4 in the AGM Notice;
“Latest Practicable Date”	25 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

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## DEFINITIONS

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“New Share Option Scheme”	the share option scheme in its present or any amended form proposed to be adopted by the Company at the AGM, a summary of the principal terms of the rules of which is set out in Appendix III to this circular;
“Option(s)”	right(s) to subscribe for Shares pursuant to the terms of the New Share Option Scheme;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice;
“Participant”	any executive or non-executive directors (other than the independent non-executive directors) of the Group (or any persons proposed to be appointed as such) or any employees of the Group, any consultant, advisor, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, as absolutely determined by the Board;
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan Region;
“Remuneration Committee”	means the remuneration committee of the Company;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares as set out in resolution no.5 in the AGM Notice;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the same meaning as defined in the Listing Rules; and
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs.

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## LETTER FROM THE BOARD

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### SHAW BROTHERS HOLDINGS LIMITED 邵氏兄弟控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00953)

**Chairman and non-executive Director:**

Mr. Li Ruigang

**Executive Director:**

Miss Lok Yee Ling Virginia

**Non-executive Director:**

Mr. Hui To Thomas

**Independent non-executive Directors:**

Mr. Pang Hong

Mr. Poon Kwok Hing Albert

Miss Szeto Wai Ling Virginia

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal Place of Business  
in Hong Kong:

19/F, Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

29 April 2022

Dear Shareholders,

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES;  
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;  
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to: (i) provide you with details of the proposed Issue Mandate and the proposed Repurchase Mandate; (ii) set out an explanatory statement regarding the proposed Repurchase Mandate; (iii) furnish you details of the Directors proposed for re-election at the AGM; (iv) provide you with details of the proposed adoption of the New Share Option Scheme; and (v) give you notice of the AGM.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

The Company's existing mandates to issue and repurchase Shares were approved by its then Shareholders on 2 June 2021. Unless otherwise renewed, the existing mandates to issue and repurchase Shares will lapse at the conclusion of the AGM.

Ordinary resolutions will be proposed at the AGM to grant to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares not exceeding 20% of the number of the issued Shares as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares not exceeding 10% of the number of the issued Shares as at the date of passing the proposed resolution at the AGM.

In addition, a separate ordinary resolution will be proposed at the AGM to add those Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM) to the Issue Mandate.

The Directors have no present intention to exercise the Issue Mandate or the Repurchase Mandate (if granted to the Directors at the AGM).

As at the Latest Practicable Date, a total of 1,419,610,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to issue a maximum of 283,922,000 Shares, representing 20% of the number of the issued Shares as at the date of the AGM.

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix I to this circular.

### 3. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 84 of the Articles, Mr. Li Ruigang and Mr. Hui To Thomas will retire from office as Directors at the AGM. Mr. Li Ruigang and Mr. Hui To Thomas, being eligible, offer themselves for re-election at the AGM. Details of Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 4. ADOPTION OF THE NEW SHARE OPTION SCHEME

The share option scheme previously adopted by the Company had expired in 2020. At the AGM, an Ordinary Resolution will be proposed that the New Share Option Scheme be approved and adopted. A summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix III hereto. The New Share Option Scheme will take effect, subject to the fulfilment of all conditions precedent as referred to in paragraph 5 below, on the date of its adoption at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,419,610,000 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the adoption of the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme of the Company (if any), in aggregate will be 141,961,000 Shares, representing 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme. While the Company may grant Options under the New Share Option Scheme at any time after adoption when it considers appropriate, as of the Latest Practicable Date, it had no intention to grant Options under the New Share Option Scheme in the coming 12 months from the date of this circular.

### 5. CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will take effect upon satisfaction of the following conditions:

- (i) passing of an Ordinary Resolution to adopt the New Share Option Scheme by the Shareholders in general meeting and to authorize the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.



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## **LETTER FROM THE BOARD**

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### **6. EXPLANATION OF THE TERMS OF THE NEW SHARE OPTION SCHEME**

A summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix III hereto. The purpose of the New Share Option Scheme is to attract and retain personnel of high quality to work for the Group, and to provide incentive to directors (other than independent non-executive directors) and employees of the Group to contribute to and promote the success of the business of the Group. In addition, given that the Company's business development also requires the long-term and sustainable business relationships with persons including advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners or service providers of any member of the Group, granting share options to these adviser, consultant, distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group would result in them providing better services to the Group, attract and retain experienced and qualified personnel, optimize performance efficiency and thus benefit the long-term growth of the Company. In addition, the ability and flexibility of the Group to reward the advisers, consultants, distributors, contractors, suppliers, agents or service providers of any member of Group with Options could reduce their service or professional fees which would result in minimizing the cash outflow of the Group. Furthermore, the Board believes that rewarding customers and business partners of any member of the Group with Options would act as an incentive to continue their existing relationship with our Group as well as encouraging them to introduce potential business opportunities or other business partners to the Group, hence benefiting the long-term development of the Group.

Furthermore, by offering Options to the Participants in such flexible terms under the New Share Option Scheme, in particular, the Exercise Price to be determined on a fair basis, such Participants may exercise their Options at any time within the Exercise Period to acquire a monetary gain or ownership interest in the Company which may in turn provide a further incentive to the Participants to better serve the Group.

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in the trustees of the New Share Option Scheme, if any.

### **7. VALUE OF THE OPTIONS**

Since the New Share Option Scheme is yet to be approved by the Shareholders, the Board had not yet determined the time frame on the granting of the Options under the New Share Option Scheme and the number of Shares for which any Grantee may subscribe upon exercise of an Option. Accordingly, the Board considers that it is premature and inappropriate to state the value of the Options for the time being in this circular.

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## LETTER FROM THE BOARD

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### 8. AGM

A notice convening the AGM to be held on 2 June 2022 (Thursday) at 11:30 a.m. at Opera II, B3, Intercontinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong is set out on pages 28 to 35 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

In accordance with Rule 13.39(4) of the Listing Rules, a poll will be required on each of the resolutions as set out in the AGM Notice.

We enclose a form of proxy for the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours (i.e. 11:30 a.m. on Tuesday, 31 May 2022) before the time appointed for holding the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

### 9. DOCUMENT ON DISPLAY

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the AGM and the New Share Option Scheme will be made available for inspection at the AGM.

### 10. CORONAVIRUS

In April 2022, the coronavirus situation in Hong Kong is still developing and the situation at the time of the AGM is difficult to predict.

In the event that the coronavirus situation deteriorates and requires the date and venue of the AGM to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on the Company's website ([www.shawbrotherspictures.com](http://www.shawbrotherspictures.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the AGM (if any) published on the Company's website and the Stock Exchange's website before attending the AGM.

Shareholders are also advised to read the information on page 10 of this circular for "Precautionary measures for the AGM" before attending the AGM.

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## LETTER FROM THE BOARD

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### 11. RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate, the re-election of the retiring Directors and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions as set out in the AGM Notice at the AGM. As at the Latest Practicable Date, no Shareholder was required to abstain from voting under the Listing Rules in respect of any of the resolutions to be proposed at the Annual General Meeting.

### 12. RESPONSIBILITY STATEMENT

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

Yours faithfully  
For and on behalf of the Board of  
**Shaw Brothers Holdings Limited**  
**Li Ruigang**  
Chairman

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## LETTER FROM THE BOARD

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### PRECAUTIONARY MEASURES FOR THE AGM

In April 2022, the coronavirus situation in Hong Kong is still developing and the situation at the time of AGM is difficult to predict.

The Company is required to convene and hold the AGM by 30 June 2022. Shareholders are welcome to attend the AGM. However, Shareholders are reminded that should the coronavirus continue to affect Hong Kong at or around the time of the AGM, Shareholders should assess for themselves whether they should attend the AGM in person due to the health risks that may or may not pose.

The Company wishes to emphasise that attendees' health and safety are our primary concerns. In view of the ongoing pandemic caused by coronavirus COVID-19, the Company will implement certain precautionary measures to protect the attendees from the risk of infection:

- (i) compulsory body temperature check will be conducted for every attendee or his/her proxy at the entrance of the AGM venue;
- (ii) every attendee or his/her proxy will have to submit a completed a health declaration form prior to entry into the AGM Venue;
- (iii) every attendee or his/her proxy is required to wear surgical face masks before they are permitted to access to the AGM venue and throughout the AGM;
- (iv) seating at the annual general meeting venue will be arranged in order to allow appropriate social distancing; and
- (v) every attendee who does not comply with any of the above precautionary measures or is subject to any Hong Kong Government prescribed quarantine will be denied entry into the AGM Venue.

Should anyone seeking to attend the AGM decline to follow the Company's precautionary measures and/or be found to have common coronavirus symptoms such as fever, cough or other respiratory symptoms or otherwise unwell, the Company reserves the right to refuse such person's admission to the AGM venue.

As additional precautionary measures and with a view to avoiding close contact amongst attendees, seating will be arranged in order to allow appropriate social distancing, and where necessary and practicable, multiple meeting rooms with telecommunication facilities will be put into use. In addition, **no refreshment will be served and no gifts will be distributed at the AGM this year.**

In light of the above precautionary measures, Shareholders intending to attend the AGM in person are suggested to arrive at the AGM venue in advance of the scheduled time for the AGM to ensure that they have sufficient time to complete the registration process.

**As an alternative to attending the AGM in person, the Company strongly encourages and recommends Shareholders and their representatives to appoint the chairman of the AGM as their proxy to vote on their behalf at the AGM.**

In the event that the coronavirus situation deteriorates and requires the date and venue of the AGM to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on its website ([www.shawbrotherspictures.com](http://www.shawbrotherspictures.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the AGM (if any) published on the websites of the Company and the Stock Exchange before attending the AGM.

This appendix includes an explanatory statement required by the Listing Rules to be presented to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors at the AGM.

**1. LISTING RULES RELATING TO REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

**2. FUNDING AND IMPACT OF REPURCHASES**

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum and articles of association of the Company, the Listing Rules and the applicable laws of the Cayman Islands. Any repurchase of Shares will be made out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purpose of the purchase or, if authorised by the Articles and subject to the laws of the Cayman Islands, out of capital and, in the case of any premium payable on the purchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles and subject to the laws of the Cayman Islands, out of capital. In accordance with the laws of the Cayman Islands, the Shares so repurchased would be treated as cancelled. It is envisaged that the source of funds for making proposed repurchases of Shares under the Repurchase Mandate would be financed out of the Company's internal resources.

As compared with the financial position of the Company as at 31 December 2021 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

**3. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

**4. SHARE CAPITAL AND MAXIMUM NUMBER OF SHARES TO BE REPURCHASED UNDER REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,419,610,000 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandate to repurchase Shares under the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 141,961,000 Shares, representing 10% of the number of the issued Shares as at the date of the AGM.

**5. UNDERTAKING OF THE DIRECTORS**

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

**6. EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code.

As a result, a Shareholder or a group of Shareholders acting in concert (as that term is defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, 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.

As at the Latest Practicable Date, Shine Investment Limited held 425,000,000 Shares, representing approximately 29.94% of the existing number of issued Shares. Shine Investment Limited was 85% owned by Shine Holdings Cayman Limited which was 100% owned by CMC Shine Acquisition Limited. CMC Shine Acquisition Limited was wholly-owned by CMC Shine Holdings Limited which was wholly-owned by CMC Inc.. CMC Inc. was a non wholly-owned subsidiary of Gold Pioneer Worldwide Limited. Gold Pioneer Worldwide Limited held the interest in CMC Inc. directly and also held through its wholly-owned subsidiary, GLRG Holdings Limited. Gold Pioneer Worldwide Limited was wholly-owned by Brilliant Spark Holdings Limited which was wholly-owned and controlled by Mr. Li Ruigang. Shine Investment Limited, Shine Holdings Cayman Limited and Television Broadcasts Limited were parties of the agreement to hold the interest in such 425,000,000 Shares. Such agreement was the one to which section 317 of the SFO applied.

In the event the Repurchase Mandate was exercised in full, the interests of Shine Investment Limited in the Company would be increased to approximately 33.26%. Such increase of shareholding of Shine Investment Limited will be treated as an acquisition for the purpose of the Takeovers Code and become obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that results in a public shareholding of less than the minimum public float requirement of 25% of the total issued share capital of the Company.

#### **7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best knowledge and belief of the Directors, having made all reasonable enquiries, any of their close associates has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

#### **8. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

**9. SHARE PRICES**

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

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2021</b>		
April	0.160	0.117
May	0.157	0.143
June	0.160	0.127
July	0.154	0.122
August	0.145	0.116
September	0.142	0.117
October	0.129	0.103
November	0.110	0.095
December	0.119	0.096
<b>2022</b>		
January	0.116	0.100
February	0.115	0.104
March	0.112	0.098
From 1 April to the Latest Practicable Date	0.122	0.108



Details of the Directors proposed to be re-elected at the AGM are set out as follows:

**Mr. Li Ruigang**

Mr. Li Ruigang, aged 52, was appointed as the Chairman and Non-executive Director of the Company on 25 October 2016. He is the founding chairman and CEO of CMC Inc. (together with its affiliates, called “CMC”), and founding partner of CMC Capital Partners. Mr. Li has rich operational experience, investment track record and in-depth insight into China’s media and entertainment industry. Mr. Li has led CMC to create many industry champions and emerging leaders across the sub-sectors of media, entertainment, lifestyle, technology, and consumer. Mr. Li was the chairman and president of Shanghai Media Group. Mr. Li is a board member of Special Olympics. Mr. Li is non-executive director of Television Broadcasts Limited (“TVB”), which is listed on the main board of the Stock Exchange. TVB has interest in the shares of the Company. CMC Inc., which is controlled by Mr. Li, is a substantial shareholder of the Company. He holds the share interest of the Company through his interest in CMC Inc. and certain affiliated companies controlled by him. Mr. Li holds a Master’s Degree of Arts and a Bachelor’s Degree of Arts of Journalism from Fudan University. Save as disclosed in this paragraph, Mr. Li did not have any other directorships in the past three years in public companies, the securities of which are listed on any securities market in Hong Kong and overseas.

At the Latest Practicable Date and within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Li was interested in 425,000,000 Shares, representing approximately 29.94% of the issued share capital of the Company. Such interests are held through certain corporations controlled directly or indirectly by him. Shine Investment Limited (“Shine Investment”), Shine Holdings Cayman Limited (“Shine Holdings”), CMC Shine Acquisition Limited (“CMC Shine Acquisition”), CMC Shine Holdings Limited (“CMC Shine Holdings”), CMC Inc., GLRG Holdings Limited (“GLRG Holdings”), Gold Pioneer Worldwide Limited (“Gold Pioneer”) and Brilliant Spark Holdings Limited (“Brilliant Spark”) were the substantial shareholders of the Company. Shine Investment was interested in such 425,000,000 Shares. Shine Investment was 85% owned by Shine Holdings which was wholly-owned by CMC Shine Acquisition. CMC Shine Acquisition was wholly-owned by CMC Shine Holdings which was wholly-owned by CMC Inc. CMC Inc. was a non wholly-owned subsidiary of Gold Pioneer. Gold Pioneer held the interest in CMC Inc. directly and also held through its wholly-owned subsidiary, GLRG Holdings. Gold Pioneer was wholly-owned by Brilliant Spark. Each of Shine Holdings, CMC Shine Acquisition, CMC Shine Holdings, CMC Inc., GLRG Holdings, Gold Pioneer and Brilliant Spark was deemed to be interested in such 425,000,000 Shares held by Shine Investment. Brilliant Spark was wholly-owned and controlled by Mr. Li Ruigang.

Mr. Li is a director of Gold Pioneer, the chairman of CMC Inc. and a non-executive director of TVB, all of which are substantial shareholders of the Company. Save as disclosed above, Mr. Li does not have any other relationship with any Directors, senior management, or substantial or controlling shareholders of the Company.

The Company issued a letter of appointment to document the key terms of appointment in writing for Mr. Li. Upon Mr. Li's successful re-election at the annual general meeting of the Company, he is subject to retirement and re-election at an annual general meeting of the Company at least once every three years in accordance with the articles of association of the Company and the Listing Rules.

Mr. Li is entitled to receive a director's remuneration of HKD420,000 per annum which is determined with reference to his duties, experience and responsibilities in the Company as well as the prevailing market conditions. The Director's fee has been reviewed by the Remuneration Committee and approved by the Board with delegated authority by the shareholders of the Company.

Save as the information disclosed above, there is no other information in relation to the re-election of Mr. Li as a Director of the Company which needs to be brought to the attention of the shareholders of the Company, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

**Mr. Hui To Thomas**

Mr. Hui To Thomas, aged 49, was appointed as a Non-executive Director of the Company on 25 October 2016. He is also a member of the Executive Committee. Mr. Hui is the chief operating officer and an executive director of CMC Inc., a substantial shareholder of the Company. Mr. Hui is the chairman and a non-executive director of TVB. TVB has interest in the shares of the Company. Mr. Hui was formerly the managing director of Gravity Corporation, a media holding company. Prior to that, Mr. Hui was an independent non-executive director of KingSoft Corporation Limited, which is listed on the main board of the Hong Kong Stock Exchange. Before that, Mr. Hui was the president, chief operation officer and an executive director of GigaMedia Limited, a company listed on the NASDAQ stock market. Prior to that, Mr. Hui also was a non-executive director of JC Entertainment Corporation, a Korean online game company listed on the KOSDAQ stock market. He was an executive director in the investment banking division of Goldman Sachs (Asia) L.L.C., Hong Kong, and an investment banker at Merrill Lynch & Co. as well as serving as a management consultant at McKinsey & Company. Mr. Hui holds a Master's Degree of Engineering in Electrical Engineering from Cornell University and a Bachelor's Degree of Science in Electrical Engineering from the University of Wisconsin, Madison. Save as disclosed in this paragraph, Mr. Hui did not have any other directorships in the past three years in public companies, the securities of which are listed on any securities market in Hong Kong and overseas.

At the Latest Practicable Date and within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Hui did not hold any interest in the shares of the Company.

Mr. Hui is a chief operating officer and an executive director of CMC Inc. and the chairman and a non-executive director of TVB, both of which are substantial shareholders of the Company. Save as disclosed above, he does not have any other relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

The Company issued a letter of appointment to document the key terms of appointment in writing for Mr. Hui. Upon Mr. Hui's successful re-election at the annual general meeting of the Company, he is subject to retirement and re-election at an annual general meeting of the Company at least once every three years in accordance with the articles of association of the Company and the Listing Rules.

Mr. Hui is entitled to receive a director's remuneration of HKD240,000 per annum which is determined with reference to his duties, experience and responsibilities in the Company as well as the prevailing market conditions. The Director's fee has been reviewed by the Remuneration Committee and approved by the Board with delegated authority by the shareholders of the Company.

Save as the information disclosed above, there is no other information in relation to the re-election of Mr. Hui as a Director of the Company which needs to be brought to the attention of the shareholders of the Company, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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*The following is a summary of the principal terms of the rules of the New Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix:*

### **(1)      PURPOSE OF THE NEW SHARE OPTION SCHEME**

The purpose of the New Share Option Scheme is for the Company to attract and retain the best available Participants and to provide additional incentive to Participants, to promote the success of the business of the Group and for such other purposes as the Board may approve from time to time.

### **(2)      PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF PARTICIPANTS**

The Board may, at its discretion, invite any Participant to take up the Options. The basis of eligibility of any Participant to the grant of any Option shall be determined by the Board (or as the case may be, the independent non-executive directors of the Company) from time to time on the basis of the Participant's contribution or potential contribution to the development and growth of the Group. In assessing the eligibility of any Participant, the Board will consider all relevant factors as appropriate, including (among others): (i) his/her responsibilities and contributions made or to be made to the Group; (ii) his/her ability to further promote the development of the Group; (iii) his/her years of service; and (iv) his/her professional qualifications and knowledge in the industry.

As the purpose of the New Share Option Scheme is to attract and retain personnel of high quality to work for the Group and to provide incentive to Participants and to promote the success of the business of the Group, given that the Company's business development requires the long-term and sustainable business relationships with persons including advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners or service providers of any member of the Group, granting Options to these adviser, consultant, distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group would result in them providing better services to the Group, attract and retain experienced and qualified personnel, optimize performance efficiency and benefit the long-term growth of the Company, thereby achieving the purpose of the New Share Option Scheme. Furthermore, the Board believes that rewarding customers and business partners of any member of the Group with Options would act as an incentive to them to continue their existing relationship with the Group as well as encourage them to introduce potential business opportunities or other business partners to the Group, hence benefiting the long-term development of the Group and thereby again achieving the purpose of the New Share Option Scheme.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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### **(3)      MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- (a)      Subject to (d) below, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme, unless the Company obtain an approval from the Shareholders pursuant to (b) below.
- (b)      Subject to (d) below, the Company may seek approval of its Shareholders in general meeting for refreshing the 10% limit set out in (a) above such that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme or any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit.
- (c)      Subject to (d) below, the Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the 10% limit provided the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought.
- (d)      Notwithstanding any other provisions of the New Share Option Scheme but subject to (e) below, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules). No Options may be granted under this Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.
- (e)      The Company may grant Options beyond any of the limits as set out in sub-paragraphs (a), (b), (c) and (d) above to such extent as may be permitted under the Listing Rules from time to time.

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## APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

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### (4)    MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

- (a)    The maximum entitlement for any one Participant is that the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised, cancelled and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
  
- (b)    Any further grant of Options to a Participant in excess of the 1% limit shall be subject to Shareholders' approval in general meeting with such Participant and his close associates (or his associates if such Participant is a connected person of the Company) abstaining from voting. The number of Shares subject to the Options to be granted and the terms of the Options to be granted to such Participant shall be fixed before Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.
  
- (c)    Any grant of Options to a Participant who is a Director, chief executive or substantial Shareholder (all with the meaning as ascribed under the Listing Rules) of the Company or their respective associates (with the meaning as ascribed under the Listing Rules) must be approved by the independent non-executive Directors or the Remuneration Committee (excluding any Director who is the proposed Grantee of an Option).
  
- (d)    Where the Board proposes to grant any Option to a Participant who is a substantial Shareholder (with the meaning as ascribed under the Listing Rules) or any of his/its associates (with the meaning as ascribed under the Listing Rules), would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant:
  - (i)    representing in aggregate more than 0.1% of the total number of Shares in issue; and
  
  - (ii)    having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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such proposed grant of Options is subject to the approval of the Shareholders in general meeting with such Participant, his/its associates and all core connected persons of the Company abstaining from voting in favour at such general meeting, and/or such other requirements prescribed under the Listing Rules from time to time. For the avoidance of doubt, any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

- (e) Subject to the provisions of the New Share Option Scheme and the Listing Rules, the Board may when making an offer of grant of an Option impose any conditions, restrictions or limitations in relation thereto as it may at its absolute discretion think fit.

### **(5) PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED**

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the Exercise Period after the Option has been granted by the Board. The Exercise Period is a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised, such period to expire not later than 10 years after the date of the grant of the Option.

### **(6) MINIMUM PERIOD OF HOLDING AN OPTION AND PERFORMANCE TARGET**

Unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option, there is neither any performance targets that need to be achieved by the Grantee before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

### **(7) AMOUNT PAYABLE ON ACCEPTANCE OF OPTION**

Offer of an Option shall be deemed to have been accepted by the Grantee and the Option to which the offer relates shall be deemed to have been granted 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\$1.00 by way of consideration for the granting thereof is received by the Company within 28 days (or such longer or shorter period as the Board may specify in the letter of Offer) from the date of the offer. Such remittance shall in no circumstances be refundable. The Exercise Price is calculated in accordance with paragraph (8) below.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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### **(8)      EXERCISE PRICE**

Subject to any adjustments made pursuant to paragraph (12) below, the Exercise Price in respect of each Share issued pursuant to the exercise of Options granted under the New Share Option Scheme shall be a price determined by the Board and notified to a Participant and shall be at least the highest of: –

- (a)    the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an Option is granted, which date must be a Business Day;
- (b)    a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date on which an Option is granted; and
- (c)    the nominal or par value of a Share.

### **(9)      RIGHTS ATTACHING TO THE SHARES UPON EXERCISE OF OPTIONS**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue. Prior to the Grantee being registered on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company), in respect of the Shares to be issued upon the exercise of the Option.

### **(10)     DURATION OF THE NEW SHARE OPTION SCHEME**

Subject to the termination provisions set out in paragraph (14) below, the New Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date. After a period of 10 years commencing on the Adoption Date, no further Options shall be offered or granted under the New Share Option Scheme but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respect for the outstanding Options granted.



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**APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE  
RULES OF THE NEW SHARE OPTION SCHEME**

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**(11) LAPSE OF OPTION**

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

- (a) the expiry of the Exercise Period;
- (b) the expiry of the periods referred to in paragraphs (18), (19) and (22) below, where applicable;
- (c) subject to the scheme of arrangement for reconstruction or amalgamation becoming effective, the expiry of the period referred to in paragraph (23) below;
- (d) the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, office or appointment with the relevant company/ companies on the grounds that he has been guilty of misconduct, in the event of which a resolution of the Board or governing body of the relevant company or the substantial shareholder of the Company (as the case may be) to the effect that the employment, directorship, office or appointment of a Grantee has or has not been terminated on the grounds specified in this sub-paragraph (d) shall be conclusive;
- (e) the close of the 2 Business Days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company;
- (f) the date on which a Grantee commits a breach of paragraph (15) below;
- (g) the date on which the Option is cancelled by the Board as provided in paragraph (13) below;
- (h) where the Grantee is an employee of a company which is a subsidiary of the Company, the date on which such company ceases to be a subsidiary of the Company; or
- (i) unless the Board otherwise determines, and other than in the circumstances referred to in paragraphs (19) and (20) below, the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any reason.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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### **(12) EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE**

- (a) Subject to paragraphs (3) and (4) above, the maximum number of Shares referred to in paragraphs (3) and (4) above will be adjusted, in such manner as the auditors of the Company or the independent financial advisor of the Company shall certify to be fair and reasonable, in the event of any alteration to the capital of the Company whether by way of consolidation, subdivision or otherwise howsoever.
  
- (b) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital, such corresponding alterations (if any) certified in writing by the auditors for the time being of the Company or the approved independent financial advisor, either generally or as regards any particular Grantee, to be in their opinion as fair and reasonable will be made in the number of Shares subject to the Option so far as unexercised, and/or the Exercise Price, and/or the limits as set out in paragraph (3) above, provided that:
  - (i) such alterations shall give a Grantee the same proportion of the issued share capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from HKSE dated 5 September 2005 to all issuers in relation to share option schemes (“Supplementary Guidance”)) as that to which he is previously entitled prior to the adjustment, but so that no such alterations shall be made the effect of which would enable a Share to be issued at less than its nominal or par value, and
  - (ii) notwithstanding this paragraph 12(b), any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures and any adjustment shall comply with the Supplementary Guidance; and
  - (iii) any such adjustment shall be in compliance with the Listing Rules and such applicable codes, guidance notes, and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.
  
- (c) In respect of any adjustments required by paragraph (12(b)) above (other than by way of a capitalisation issue), the auditors of the Company or the approved independent financial advisor (as the case may be) shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the Supplementary Guidance and/or such requirement prescribed from time to time under the Listing Rules.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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- (d) If there has been any adjustment in the capital structure of the Company as referred to in Clause 12(a), the Company shall within 28 days after receipt of confirmation of the independent financial adviser or the auditors of the Company as referred to in Clause 12(c), inform the Grantee of such adjustment and of any adjustment to be made in accordance with the independent financial adviser's or the confirmation of the auditors of the Company obtained by the Company for such purposes.

### **(13) CANCELLATION OF OPTIONS GRANTED**

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which the Option is cancelled by the Board as provided above.

### **(14) TERMINATION OF THE NEW SHARE OPTION SCHEME**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect for the outstanding Options.

### **(15) TRANSFERABILITY OF OPTIONS**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Option. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which a Grantee commits a breach of the foregoing.

### **(16) ALTERATION OF THE NEW SHARE OPTION SCHEME**

The provisions of the New Share Option Scheme may be altered in any respect by resolution of the Board except that the definitions of "Grantee", "Exercise Period" and "Participant" in sub-paragraph 1.1 of the New Share Option Scheme, the provisions of paragraphs and sub-paragraphs 2, 4.1, 5.1, 5.2, 5.3, 6, 7, 8, 9, 10, 11, 14, 15 and 16 of the New Share Option Scheme and all such other matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Participants without the prior approval of the Shareholders in general meeting.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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### **(17) CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme is conditional upon:-

- (a) the passing of an Ordinary Resolution to adopt the New Share Option Scheme by the Shareholders in general meeting and to authorize the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the New Share Option Scheme.

### **(18) RIGHTS ON CEASING EMPLOYMENT OR DIRECTORSHIP**

If the Grantee ceases to be a Participant for any reason other than on his death or the termination of his employment, directorship, office or appointment on one or more of the grounds specified in paragraph (20) below, the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within the period of three months (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office, appointment or directorship in the relevant company, as the case may be. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

### **(19) RIGHTS ON DEATH**

If the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of his employment, directorship, office or appointment under paragraph (20) below arises, the personal representative(s) of the Grantee shall be entitled to exercise the Option up to the entitlement of such Grantee at the date of death (to the extent not already exercised) within a period of twelve months (or such longer period as the Board may determine) from the date of death. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.

### **(20) RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP BY DISMISSAL**

An Option shall lapse automatically (to the extent not already exercised) on the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, office or appointment with the relevant company/companies on the grounds that he has been guilty of misconduct.

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## **APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME**

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### **(21) RIGHTS ON VOLUNTARY WINDING UP**

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the Shareholders' meeting, give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two Business Days prior to the proposed general meeting of the Company (excluding any period(s) of closure of the Company's share registers) by giving notice in writing to the Company, accompanied by a payment for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, whereupon 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. Subject thereto, all Options then outstanding shall lapse automatically and determine on the commencement of the winding-up of the Company.

### **(22) RIGHTS ON GENERAL OFFER BY WAY OF TAKEOVER**

In the event a general offer (whether by way of take-over, repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the Shareholders and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise the Options (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the Exercise Period or the date of the close of the offer (or any revised offer) or the record date for entitlements under the scheme of arrangement (as the case may be), after which the Option shall lapse.

### **(23) RIGHTS ON RECONSTRUCTION OR AMALGAMATION**

If a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or 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 thereof to the Grantee on the same date as it despatches the notice which is sent to each shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representative(s)) may forthwith but no later than two Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting or such time as shall be notified by the Company exercise any of the Options whether in full or in part. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above. The Company may require the Grantee (or his personal representative(s)) 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 such compromise or arrangement.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SHAW BROTHERS HOLDINGS LIMITED 邵氏兄弟控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00953)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “Meeting”) of Shaw Brothers Holdings Limited (the “Company”) will be held on 2 June 2022 (Thursday) at 11:30 a.m. at Opera II, B3, Intercontinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong for the following purposes:

#### AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated accounts, directors’ report and independent auditor’s report of the Company and its subsidiaries for the year ended 31 December 2021.
2. To re-appoint SHINEWING (HK) CPA Limited as auditor of the Company and to authorise the board of directors of the Company to fix its remuneration.
3.
  - (a) To re-elect Mr. Li Ruigang as a director of the Company;
  - (b) To re-elect Mr. Hui To Thomas as a director of the Company; and
  - (c) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period;
- (C) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares in the Company; or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part of a dividend in accordance with the articles of association of the Company (the “Articles”) from time to time, shall not exceed 20% of the number of the issued shares of the Company at the time of passing this resolution and the said approval shall be limited accordingly; and

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(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Articles to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

5. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;



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(C) the aggregate number of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period, shall not exceed 10% of the number of the issued shares of the Company as at the time of passing this resolution and the said approval shall be limited accordingly; and

(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Articles to be held; or

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon the passing of Resolutions No. 4 and No. 5 as set out in this notice convening the Meeting of which this Resolution forms part, the general mandate granted to the Directors pursuant to Resolution No. 4 as set out in this notice convening the Meeting of which this Resolution forms part be and is hereby extended by the addition thereto of an amount representing the shares of the Company repurchased by the Company under the authority granted to the Directors pursuant to Resolution No. 5 as set out in this notice convening the Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the number of the issued shares of the Company as at the date of passing this Resolution.”

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### AS SPECIAL BUSINESS

7. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

**“THAT:**

- (A) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of options to be granted under the share option scheme of the Company, a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification (the “New Share Option Scheme”), the Share Option Scheme be and is hereby approved and adopted; and
- (B) the directors of the Company be and are hereby authorized 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 New Share Option Scheme including but without limitation:
- i. to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;
  - ii. to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
  - iii. to grant options to subscribe for Shares under the New Share Option Scheme and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange;
  - iv. to make application at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may, for the time being, be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme; and
  - v. 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 New Share Option Scheme.”

By Order of the Board  
**Shaw Brothers Holdings Limited**  
**Li Ruigang**  
Chairman

Hong Kong, 29 April 2022

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### Notes to the Notice of the Meeting

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either in person or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours (i.e. 11:30 a.m. on Tuesday, 31 May 2022) before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution no. 5 is set out in Appendix I to the circular dated 29 April 2022.

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8. The transfer books and Register of Members of the Company will be closed from 26 May 2022 to 2 June 2022, both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 25 May 2022.
9. Details of proposed for re-election of retiring Directors are set out in Appendix II to the circular dated 29 April 2022.
10. A form of proxy for the Meeting is enclosed.
11. If tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons or a "black" rainstorm warning signal is in force at 7:30 a.m. on Thursday, 2 June 2022, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

### IMPORTANT NOTICE TO SHAREHOLDERS

#### Precautionary measures for the Meeting

In April 2022, the coronavirus situation in Hong Kong is still developing and the situation at the time of Meeting is difficult to predict.

The Company is required to convene and hold the Meeting by 30 June 2022. Shareholders are welcome to attend the Meeting. However, Shareholders are reminded that should the coronavirus continue to affect Hong Kong at or around the time of the Meeting, Shareholders should assess for themselves whether they should attend the Meeting in person due to the health risks that may or may not pose.

The Company wishes to emphasise that attendees' health and safety are our primary concerns. In view of the ongoing pandemic caused by coronavirus COVID-19, the Company will implement certain precautionary measures to protect the attendees from the risk of infection:

- (i) compulsory body temperature check will be conducted for every attendee or his/her proxy at the entrance of the AGM venue;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) every attendee or his/her proxy will have to submit a completed a health declaration form prior to entry into the AGM Venue;
- (iii) every attendee or his/her proxy is required to wear surgical face masks before they are permitted to access to the AGM venue and throughout the AGM;
- (iv) seating at the annual general meeting venue will be arranged in order to allow appropriate social distancing; and
- (v) every attendee who does not comply with any of the above precautionary measures or is subject to any Hong Kong Government prescribed quarantine will be denied entry into the AGM Venue.

Should anyone seeking to attend the AGM decline to follow the Company's precautionary measures and/or be found to have common coronavirus symptoms such as fever, cough or other respiratory symptoms or otherwise unwell, the Company reserves the right to refuse such person's admission to the AGM venue.

As additional precautionary measures and with a view to avoiding close contact amongst attendees, seating will be arranged in order to allow appropriate social distancing, and where necessary and practicable, multiple meeting rooms with telecommunication facilities will be put into use. In addition, **no refreshment will be served and no gifts will be distributed at the AGM this year.**

In light of the above precautionary measures, Shareholders intending to attend the Meeting in person are suggested to arrive at the Meeting venue in advance of the scheduled time for the Meeting to ensure that they have sufficient time to complete the registration process.

**As an alternative to attending the Meeting in person, the Company strongly encourages and recommends Shareholders and their representatives to appoint the chairman of the Meeting as their proxy to vote on their behalf at the Meeting.**

In the event that the coronavirus situation deteriorates and requires the date and venue of the Meeting to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on its website ([www.shawbrotherspictures.com](http://www.shawbrotherspictures.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the Meeting (if any) published on the websites of the Company and the Stock Exchange before attending the Meeting.