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

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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 stockbroker 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 Shunten International (Holdings) Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Shunten International (Holdings) Limited**

**順騰國際(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 932)**

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME  
AND TERMINATION OF EXISTING SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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Capitalized terms used in this cover shall bear the same meanings as those defined in the section headed “Definitions” in this circular.

A notice convening an annual general meeting (the “AGM”) of the Company to be held at Unit D, 7/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on Friday, 1 September 2023 at 3:30 p.m. is set out on pages AGM-1 to AGM-6 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.shunten.com.hk](http://www.shunten.com.hk).

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company’s Hong Kong branch share registrar and transfer agent, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

21 July 2023

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## DEFINITIONS

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

“2023 Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM in its present form or as may be amended from time to time
“Adoption Date”	the date on which the 2023 Share Option Scheme is adopted upon fulfilment of the conditions set out in the Scheme Rules
“AGM”	the annual general meeting of the Company to be convened and held on Friday, 1 September 2023 at 3:30 p.m. to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; the proposed re-election of Directors; and the proposed adoption of 2023 Share Option Scheme and termination of Existing Share Option Scheme
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning ascribed to this term under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Auditor”	the auditor for the time being of the Company
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Shunten International (Holdings) Limited (Stock Code: 932), an exempted company incorporated in the Cayman Islands with limited liability on 5 December 2011 and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“core connected person”	has the meaning ascribed to this term under the Listing Rules

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	Employee Participant(s), Related Entity Participant(s) and Service Provider(s)
“Employee Participant(s)”	director(s) (excluding independent non-executive Directors) and employee(s) (whether full time or part time) of the Group (including persons who are granted Options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with any member of the Group)
“Exercise Date”	the date on which the Option is duly exercised or, if that date falls on a day when the Register of Members is closed, the first day of the re-opening of the Register of Members
“Existing Share Option Scheme”	means the existing share option scheme adopted by the Company on 24 September 2013 and effective on 11 October 2013
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the total number of issued Shares as at the date of granting of the General Mandate
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the Scheme Rules or (where the context so permits and as referred to in the Scheme Rules) his/her Personal Representative(s)
“Group”	the Company and all of its subsidiaries
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 July 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board

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## DEFINITIONS

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“Offer”	an offer for the grant of an Option made in accordance with the Scheme Rules
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant
“Option(s)”	option(s) to subscribe for the Shares granted pursuant to the 2023 Share Option Scheme
“Option Period”	in respect of any particular Option, a period within which the Option may be exercised by the Grantee, which shall be determined and notified by the Directors to the Grantee but in any event shall not be more than ten years from the Offer Date of that Option
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“PRC”	the People’s Republic of China, which for the purpose of this circular exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Register of Members”	the register of members of the Company
“Related Entity Participant(s)”	director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the total number of issued Shares as at the date of granting of the Repurchase Mandate
“Scheme Mandate Limit”	10% of the total number of issued Shares as of the Adoption Date
“Scheme Rules”	the rules of the 2023 Share Option Scheme
“Service Provider(s)”	person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, as more particularly defined in the paragraph headed “Service Providers” in the Letter from the Board in this circular

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## DEFINITIONS

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“Service Provider Sublimit”	1% of the total number of issued Shares as of the Adoption Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“share scheme(s)”	has the meaning ascribed to this term under Chapter 17 of the Listing Rules
“Shareholder(s)”	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 the Shares on the exercise of an Option as determined in accordance with the Scheme Rules
“Subsidiary(ies)”	company(ies) which are for the time being and from time to time the subsidiary(ies) (within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) of the Company
“Substantial Shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong, as amended from time to time
“Termination Date”	close of business of the Company on the tenth anniversary of the Adoption Date
“%”	per cent.



**Shunten International (Holdings) Limited**  
**順騰國際(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 932)**

*Executive Directors:*

Mr. CHEUNG Siu Fai (*Chairman*)  
Mr. LAM Wai Tong (*Chief Executive Officer*)

*Independent non-executive Directors:*

Mr. LEUNG Winson Kwan Yau  
Mr. LIU Ying Shun  
Ms. DONG Jian Mei

*Registered office:*

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Unit D, 7/F, KC100  
100 Kwai Cheong Road  
Kwai Chung  
New Territories  
Hong Kong

21 July 2023

*To the Shareholders,*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME  
AND TERMINATION OF EXISTING SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate to the Directors; (ii) the re-election of Directors; and (iii) the proposed adoption of the 2023 Share Option Scheme and termination of the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of Directors, the proposed adoption of the 2023 Share Option Scheme and termination of the Existing Share Option Scheme, and the notice of the AGM.

### **GENERAL MANDATE AND REPURCHASE MANDATE**

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate (including the extended General Mandate) and the Repurchase Mandate.

#### **General Mandate**

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate number of up to 20% of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate number of 3,107,893,440 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 621,578,688 Shares.

#### **Repurchase Mandate**

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the number of the issued Share as at the date of granting of the Repurchase Mandate.



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## LETTER FROM THE BOARD

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Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 310,789,344 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (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 Articles, the Companies Act or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

As at Latest Practicable Date, the Board comprises Mr. CHEUNG Siu Fai and Mr. LAM Wai Tong as executive Directors; Mr. LEUNG Winson Kwan Yau, Mr. LIU Ying Shun and Ms. DONG Jian Mei as independent non-executive Directors.

Pursuant to Article 83(3), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Pursuant to Article 84(1), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

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## LETTER FROM THE BOARD

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Pursuant to Article 84(2), a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Cheung Siu Fai and Mr. Leung Winson Kwan Yau will retire by rotation at the AGM and will offer themselves for re-election as Directors.

Biographical details of the retiring Directors to be re-elected which are required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME**

#### **Existing Share Option Scheme**

The Existing Share Option Scheme was conditionally adopted by the Company on 24 September 2013 and effective on 11 October 2013, and would be valid and effective for a period of ten years commencing from the date of adoption.

As at the Latest Practicable Date, 539,800,000 options were granted under the Existing Share Option Scheme and there were no outstanding options thereunder. As at the Latest Practicable Date, the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Existing Share Option Scheme was 256,491,120 Shares, representing 10% of the total number of issued Shares on 24 August 2021 (i.e. the date of approving the refreshment of the share option scheme mandate limit of the Existing Share Option Scheme) and approximately 8.25% of the total number of issued Shares as at the Latest Practicable Date.

It is proposed that the Existing Share Option Scheme shall be terminated upon the adoption of the 2023 Share Option Scheme. As at the Latest Practicable Date, the Company has no other share scheme other than the Existing Share Option Scheme.

As the Board has no intention of granting any further options under the Existing Share Option Scheme during the period between the Latest Practicable Date and the date of the AGM, no option will remain outstanding after the Existing Share Option Scheme is terminated. The Company does not have any outstanding options, convertible securities or warrant which confers the right to subscribe for Shares as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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According to the terms of the Existing Share Option Scheme, the Company may, by an ordinary resolution in a general meeting, terminate the operation of the Existing Share Option Scheme, and upon its termination, no further option can be granted under the Existing Share Option Scheme.

### **Proposed Adoption of the 2023 Share Option Scheme**

Pursuant to the “Consultation Conclusions on Proposed Amendments to the Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment” published by the Stock Exchange in July 2022, Chapter 17 of the Listing Rules was amended with effect from 1 January 2023. In light of the amendments to the Listing Rules governing share schemes, the Company proposes to terminate and replace the Existing Share Option Scheme by adopting the 2023 Share Option Scheme to keep the share scheme adopted by the Company in compliance with the latest regulatory requirements.

None of the Directors is a trustee of the 2023 Share Option Scheme or has any direct or indirect interest in the trustees of the 2023 Share Option Scheme, if any. As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the 2023 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

The Company may establish a trust (“**Trust**”) and appoint a trustee to hold the Shares for the purposes of: (i) holding the Shares allotted and issued by the Company under the 2023 Share Option Scheme and reserved for specified Eligible Participants; (ii) settling the Options; and (iii) taking other actions for the purposes of administering and implementing the 2023 Share Option Scheme. The trustee of the Trust shall be instructed by the Company.

The trustee, if any, holding the unvested Options, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules.

An ordinary resolution will be proposed by the Company at the AGM for the Shareholders to consider and, if thought fit, to approve the termination of the Existing Share Option Scheme and adoption of the 2023 Share Option Scheme, which complies with the latest regulatory requirements under Chapter 17 of the Listing Rules.

### **Conditions precedent of the 2023 Share Option Scheme**

The 2023 Share Option Scheme will take effect upon satisfaction of the following conditions:

- (i) the Stock Exchange granting the listing of and the permission to deal in such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme and any other share scheme(s) of the Company;

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## LETTER FROM THE BOARD

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- (ii) passing of an ordinary resolution by the Shareholders in the AGM to terminate the Existing Share Option Scheme; and
- (iii) passing of an ordinary resolution to approve and adopt the 2023 Share Option Scheme in the AGM and to authorise the Board to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the 2023 Share Option Scheme.

An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the Options granted under the 2023 Share Option Scheme.

### **Explanation of the terms of the 2023 Share Option Scheme**

A summary of the principal terms of the 2023 Share Option Scheme is set out in Appendix III to this circular.

The purpose of the 2023 Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

### **Eligible Participants**

Eligible Participants include the Employee Participants (which exclude independent non-executive Directors), the Related Entity Participants and the Service Providers.

In determining the basis of eligibility of, and the terms of grant of Options to each Employee Participant or Related Entity Participant, the Board would mainly take into account his/her experience in the business of the Group, the length of his/her service with the Group, his/her contribution to the development and long-term growth of the Group and other factors as the Board may at its discretion consider appropriate.

The Group also maintains close collaborative relationships with the Related Entity Participants, such as senior management of the Company's holding companies and associated companies. They have extensive connections in markets outside of Hong Kong and have been involved in projects or provided support to the Group, in the form of providing advice to the Group on formulating medium to long-term business strategies, sharing their knowledge and expertise of up-to-date technologies, assisting the Group to improve production efficiency through the use of automation and other advanced technologies. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, and guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development.

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## LETTER FROM THE BOARD

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When considering eligibility of, and the terms of grant of Options to any Service Provider and whether such Service Provider provides services to the Group on a continuing or recurring basis in the ordinary and usual course of business, the Board shall generally consider all relevant factors as appropriate from time to time, including (i) the industry experience of the Service Provider; (ii) the type(s) of services that the Service Provider had provided to the Group; (iii) the period of engagement of the Service Provider; and (iv) the contribution and/or future contribution of the Service Provider to the development and long-term growth of the Group.

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees and directors of the Group, the success of the Group may also come from the efforts and cooperation of non-employees of the Group (including the Related Entity Participants and the Service Providers) who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.

### *Service Providers*

Amongst the Service Providers, vendors, suppliers, agents and contractors directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations which span across procurement, manufacturing, sales and marketing, and research and development, and their contribution directly impacts the results of the operations of the Group. Service Providers also include advisors and consultants with relevant expertise in fields related to the industry, such as former senior management of prominent industry players who have unique knowledge of market trends and product roadmap during the short to long-term, and technical consultants who may advise on and assist the Group in its product development and improvement in production management capabilities. Such Service Providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market development, technological trends and innovations, technical specifications and licensing requirements for products, production management, as well as marketing. The strategic advice and guidance provided by these Service Providers benefit the Group in its ordinary and usual course of business and often allow it to plan its future business strategies effectively for long-term growth.

Set out below are the detailed description of each category of Service Providers and the specific criteria for determining the eligibility of each category of Service Providers under the 2023 Share Option Scheme.

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## LETTER FROM THE BOARD

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Alignment with the purpose of the 2023 Share Option Scheme
Vendors and/or suppliers	Service Providers under this category are mainly vendors and/or suppliers for raw materials in powder form and semi-finished products, which are in the forms of capsules, tablets, caplets, sachets or syringes containing the ingredients, and packaging materials.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such vendors and/or suppliers, including but not limited to:</p> <ul style="list-style-type: none"> <li>(i) the nature, reliability and quality of the products and/or services supplied;</li> <li>(ii) the value of the products and/or services provided by the relevant vendors and/or suppliers;</li> <li>(iii) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group;</li> <li>(iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(v) the background, reputation and track records of the relevant vendors and/or suppliers;</li> </ul>	Aligning with the purpose of the 2023 Share Option Scheme, remunerating the vendors and/or suppliers of the Group with equity incentives can recognize their contributions on the business development of the Group. The Board (including the independent non-executive Directors) considers that granting Options to the vendors and/or suppliers of the Group will align their long-term interests with those of the Group and the Shareholders, while maintaining the necessary flexibility for the Board to exercise its discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth. The inclusion of the vendors and/or suppliers of the Group as Eligible Participants under the 2023 Share Option Scheme is as such fair and reasonable.

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## LETTER FROM THE BOARD

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Alignment with the purpose of the 2023 Share Option Scheme
		<p>(vi) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and</p> <p>(vii) the replacement cost of such vendors and/or suppliers and/or products and/or services (including continuity and stability of supply or provision of such products and/or services in the market).</p>	

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## LETTER FROM THE BOARD

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Alignment with the purpose of the 2023 Share Option Scheme
Advisors, consultants, agents and/or other professional firms	Service Providers under this category are mainly advisors, consultants, agents and/or other professional firms with expertise in the research, development, production, marketing and sales and/or production of health supplements and beauty supplements and products, and provision of related after-sales and technical services to the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such advisors, consultants, agents and/or other professional firms, including but not limited to:</p> <ul style="list-style-type: none"> <li>(i) individual performance of the relevant advisors, consultants, agents and/or other professional firms, including but not limited to the reliability and quality of the products and/or services supplied;</li> <li>(ii) their knowledge, experience and network in the relevant industry;</li> <li>(iii) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group;</li> <li>(iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(v) the background, reputation and track records of the relevant advisors, consultants, agents and/or other professional firms;</li> </ul>	<p>Aligning with the purpose of the 2023 Share Option Scheme, remunerating the advisors, consultants, agents and/or other professional firms of the Group with equity incentives can recognize their contributions on the business development of the Group.</p> <p>The Board (including the independent non-executive Directors) considers that granting Options to the advisors, consultants, agents and/or other professional firms of the Group will align their long-term interests with those of the Group and the Shareholders, while maintaining the necessary flexibility for the Board to exercise its discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth. The inclusion of the advisors, consultants, agents and/or other professional firms of the Group as Eligible Participants under the 2023 Share Option Scheme is as such fair and reasonable.</p>



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## LETTER FROM THE BOARD

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Alignment with the purpose of the 2023 Share Option Scheme
		<p>(vi) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply of products and/or services, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period);</p> <p>(vii) the replacement cost of such advisors, consultants, agents and/or other professional firms (including continuity and stability of provision of the necessary services in the market); and</p> <p>(viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant advisors, consultants, agents and/or other professional firms, and/or the synergy between the relevant advisors, consultants, agents and/or other professional firms and the Group.</p>	

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## LETTER FROM THE BOARD

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Alignment with the purpose of the 2023 Share Option Scheme
Independent contractors	Service Providers under this category are mainly independent contractors, including third party subcontractors, in the health supplements and beauty supplements and products industry that collaborate with the Group on continuing projects, which the Group engages for its outsourcing of certain parts of its production process to achieve production optimisation.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such independent contractors, including but not limited to:</p> <ul style="list-style-type: none"> <li>(i) individual performance of the relevant independent contractors, including but not limited to the reliability and quality of the products and/or services supplied;</li> <li>(ii) their knowledge, experience and network in the relevant industry;</li> <li>(iii) the nature, scope and frequency of the collaborating projects and length of business relationship with the Group;</li> <li>(iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(v) the background, reputation and track records of the relevant independent contractors;</li> </ul>	<p>Aligning with the purpose of the 2023 Share Option Scheme, remunerating the independent contractors of the Group with equity incentives can recognize their contributions on know-how and expertise that has contributed and/or will contribute to the business development of the Group.</p> <p>The Board (including the independent non-executive Directors) considers that granting Options to the independent contractors of the Group will align their long-term interests with those of the Group and the Shareholders, while maintaining the necessary flexibility for the Board to exercise its discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth. The inclusion of the independent contractors of the Group as Eligible Participants under the 2023 Share Option Scheme is as such fair and reasonable.</p>

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## LETTER FROM THE BOARD

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Alignment with the purpose of the 2023 Share Option Scheme
		<p>(vi) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply of products and/or services, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period);</p> <p>(vii) the replacement cost of such independent contractors and/or the products or services (including continuity and stability of supply or provision of such products and/or services in the market); and</p> <p>(viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant independent contractors, and/or the synergy between the independent contractors and the Group.</p>	

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## LETTER FROM THE BOARD

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Service Providers should be, or anticipated to be going forward, significant suppliers of products and/or services, or otherwise significant to the Group's business development. The Board will also consider whether the Service Providers have provided services to the Group on a continuing or recurring basis in its ordinary and usual course of business, taking into account whether the continuity and frequency of the services provided by a Service Provider are akin to those of its employees of the Group based on the following factors:

- (i) the type(s) of services that the Service Provider had provided to the Group in the past 12 months;
- (ii) the period of engagement of the Service Provider, including whether the Service Provider had entered into an agreement with the Group in the past 12 months with a term of no less than two years; or
- (iii) the Service Providers who are either former management or former employees of the Group, since the Group values their familiarity with and understanding of the businesses and operations of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group.

The Board (including the independent non-executive Directors) is of the view that the inclusion of the Service Providers as Eligible Participants is as such fair and reasonable.

For the avoidance of doubt, Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

The inclusion of the Related Entity Participants and the Service Providers as Eligible Participants is therefore consistent with the purpose of the 2023 Share Option Scheme. This enables the Group to have the flexibility to utilise Options as a means of incentivising or rewarding persons outside of the Group to contribute to its long-term success by aligning the interests of these stakeholders and strengthening their ongoing relationships with the Group. The Group will also be able to recruit and retain high-calibre employees and attract human resources that are valuable to the Group both inside and outside of the Group, which is conducive to the long-term development of the Group.

As mentioned above, the Board will take into account numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by different categories of the Related Entity Participants and the Service Providers. The Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on the Options to be granted to these Eligible Participants, which allows the Board to have flexibility to impose appropriate conditions in light of the particular circumstances of each grant, corresponding to the relevant Eligible Participants' contribution or potential contribution.

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## LETTER FROM THE BOARD

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Based on the above, the Board (including the independent non-executive Directors) considers that (i) the inclusion of the Related Entity Participants and the Service Providers as Eligible Participants is in line with the Company's business needs and the industry norm of providing equity-based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (ii) the criteria for the selection of the Related Entity Participants and the Service Providers as set out above and in paragraph 2 of the Appendix III to this circular and the discretion afforded to the Board to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on the Options to be granted to such selected Eligible Participants, are appropriate and in the interest of the Company and the Shareholders as a whole, and align with the purpose of the 2023 Share Option Scheme.

### **Vesting period**

The vesting period for Options under the 2023 Share Option Scheme shall not be less than 12 months. To ensure the practicability in fully attaining the purpose of the 2023 Share Option Scheme, for Employee Participants, the Board is of the view that (i) there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Grantee, such as those set out in paragraphs 7(a) to (f) of Appendix III to this circular; (ii) there is a need for the Group to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Group should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence, the Board is of the view that the shorter vesting period prescribed in paragraphs 7(a) to (f) of Appendix III to this circular, which is available to Employee Participants, is in line with the market practice, is appropriate and aligns with the purpose of the 2023 Share Option Scheme.

### **Scheme Mandate Limit**

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,107,893,440 Shares. Assuming that there is no change in the issued share capital during the period between the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other share scheme(s) of the Company will be 310,789,344 Shares, representing 10% of the total number of issued Shares as of the Adoption Date.

The Service Provider Sublimit of the 2023 Share Option Scheme and any other share scheme(s) of the Company will be 31,078,934 Shares, representing 1% of total number of the issued Shares as of the Adoption Date. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, the importance of striking a balance between achieving the purpose of the 2023 Share Option Scheme and protecting Shareholders from the dilution effect from granting a

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## LETTER FROM THE BOARD

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substantial amount of Options to the Service Providers, the extent of the use of Service Providers in the Group's business, and the fact that the Company expects that a majority of the Options will be granted to Employee Participants and Related Entity Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants and Related Entity Participants. Given the above, the Board has made reference to the 1% Individual Limit (as defined below) and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings.

Considering the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of the Group's business development, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to align with the purpose of the 2023 Share Option Scheme and the relatively low threshold sublimit of 1% can provide adequate safeguard against excessive dilution of existing Shareholders' holdings. The Service Provider Sublimit is subject to separate approval of the Shareholders at the AGM.

### **Performance targets and clawback mechanism**

The Scheme Rules will not prescribe specific performance targets that must be met before an Option can be exercised or a clawback mechanism to recover or withhold Options to be granted. However, the Scheme Rules will give the Board discretion to impose such conditions on the Options or prescribe such clawback mechanism where appropriate. The Board considers that it may not always be appropriate to impose such conditions on the Options or prescribe such clawback mechanism, particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions. The Board considers that it is more beneficial to the Group to retain the flexibility to determine whether such conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant.

While the performance targets will be imposed on a case-by-case basis to ensure the Options vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) aggregate amount of revenue or business generated by the specific Grantee during a financial year; (ii) annual results of the Company, annual growth on the revenue of the Group as compared to the immediately preceding financial year and performance of the Group; and (iii) any measurable performance benchmark which the Board considers relevant to the Grantee, including key performance indicators of respective department(s) and/or business unit(s) that the Grantee belongs, individual position, annual appraisal result and performance of the Grantee, and contributions made by the Grantee to the Group.

However, the Board is of the view that it is not practicable to expressly set out a generic set of performance targets in the Scheme Rules, as each Grantee plays different roles and contributes in different ways to the Group. The Board shall have regard to the purpose of the 2023 Share Option Scheme and the position, contributions and importance of the Grantee to the Group in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Grantee(s).

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## LETTER FROM THE BOARD

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Although the 2023 Share Option Scheme does not prescribe a clawback mechanism, where there has been an occurrence of misconduct such as (i) any material misstatements or omissions in the Company's financial statements by a Grantee; (ii) any violation by a Grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information; (iii) any termination of employment contracts by a Grantee without notice or payment in lieu of notice; (iv) any conviction of any criminal offence by a Grantee involving integrity or honesty; or (v) any conduct of a Grantee that has material adverse effect to the reputation or interests of the Group, the Options may be subject to clawback as determined by the Board from time to time where appropriate. The clawback of Options or option Shares granted to the Directors and senior management of the Group, and any grants of Options or option Shares to the Directors and senior management of the Group without clawback, shall be further subject to the approval of the Board and the Remuneration Committee and any other requirements under the Listing Rules. The Board (and the Remuneration Committee in respect of grants of Options to the Directors and/or senior management of the Group) is of the view that the clawback mechanism in the 2023 Share Option Scheme provides a choice for the Company to clawback the equity incentives granted to Grantees culpable of misconduct and aligns with the purpose of the 2023 Share Option Scheme and the interests of Shareholders.

### **Basis of Determination of the Option Price**

Eligible Participants to whom Options shall be granted, are entitled to subscribe for the number of Shares at the Subscription Price as determined by the Board in its discretion on the date of grant, but in any event, the Subscription Price shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant; and
- (iii) the nominal value of the Share.

The basis for determining the Subscription Price is also specified precisely in the Scheme Rules. The Board considers that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.



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## LETTER FROM THE BOARD

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### **Value of the Options**

The Board considers that it is not appropriate and impractical to state the value of the Options that can be granted under the 2023 Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Subscription Price and other terms and conditions to which an Option may be subject) crucial for valuation cannot be predicted or ascertained at this stage and may vary from case to case. The Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on assumptions would be speculative, not meaningful to, and may be misleading to the Shareholders.

### **Document on Display**

A copy of the Scheme Rules of the 2023 Share Option Scheme will be published on the respective websites of the Stock Exchange at “www.hkexnews.hk” and the Company at “www.shunten.com.hk” for display for a period of not less than 14 days before the date of AGM and will be made available for inspection at the AGM.

### **AGM**

A notice convening the AGM to be held at Unit D, 7/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on Friday, 1 September 2023 at 3:30 p.m. is set out on pages AGM-1 to AGM-6 of this circular. Resolutions will be proposed at the AGM to approve, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate to the Directors; (ii) the re-election of Directors; and (iii) the proposed adoption of the 2023 Share Option Scheme and termination of the Existing Share Option Scheme.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company’s Hong Kong branch share registrar and transfer agent, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All proposed resolutions to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.



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## LETTER FROM THE BOARD

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### 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.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 29 August 2023 to Friday, 1 September 2023, both days inclusive during which period, no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms should be lodged for registration with the Company's branch share registrar and transfer agent in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 4:30 p.m. on Monday, 28 August 2023.

### RECOMMENDATION

The Directors consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of Directors and the proposed adoption of the 2023 Share Option Scheme and termination of the Existing Share Option Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
For and on behalf of the Board of  
**Shunten International (Holdings) Limited**  
**CHEUNG Siu Fai**  
*Chairman and Executive Director*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

### **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the number of the issued Shares comprised 3,107,893,440 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 310,789,344 fully paid Shares, representing 10% of the number of the issued Shares as at the date of passing of the resolution.

### **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its Shareholders as a whole.

### **4. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the laws of the Cayman Islands and the Articles for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 March 2023, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 5. SHARE PRICES

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2022</b>		
July	0.170	0.120
August	0.191	0.121
September	0.157	0.090
October	0.116	0.070
November	0.127	0.073
December	0.094	0.078
<b>2023</b>		
January	0.097	0.077
February	0.180	0.076
March	0.114	0.067
April	0.103	0.073
May	0.107	0.074
June	0.088	0.071
July (up to the Latest Practicable Date)	0.086	0.074

## 6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

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 repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name of Shareholder	Number of Shares	Approximate % holding
Mr. Cheung Siu Fai <i>(Note 1)</i>	736,194,000	23.69%
Leading Virtue Holdings Limited ("Leading Virtue") <i>(Note 1)</i>	723,242,000	23.27%
Ms. Leung Lisa <i>(Note 2)</i>	718,804,033	23.13%
Prosper Rich Investments Limited <i>(Note 2)</i>	718,804,033	23.13%

*Notes:*

1. This represents the Shares held by Leading Virtue, a company wholly-owned by Mr. Cheung Siu Fai, therefore, he is deemed to be interested in (i) 723,242,000 Shares held by Leading Virtue; and (ii) 12,952,000 Shares held by another company wholly-owned by Mr. Cheung Siu Fai under the SFO.
2. Prosper Rich Investments Limited is a company wholly-owned by Ms. Leung Lisa.
3. Information as disclosed in the table above was obtained from the website of the Stock Exchange (<http://www.hkexnews.hk/di/di.htm>).

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Name of Shareholder	Approximate % holding
Mr. Cheung Siu Fai	26.32%
Leading Virtue	25.86%
Ms. Leung Lisa	25.70%
Prosper Rich Investments Limited	25.70%

On the basis of the current shareholdings of above Shareholders, such increase would give rise to an obligation to make a mandatory offer under Rule 26 or 32 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

## 7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

Details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

**(1) Mr. CHEUNG Siu Fai (“Mr. Cheung”)**

Mr. Cheung Siu Fai, aged 53, is the chairman of the Board since 24 October 2022 and an executive director of the Company since 24 January 2022. Mr. Cheung holds a Master Degree in Business Administration from The Chinese University of Hong Kong and a Bachelor Degree in Electronic Engineering from The Hong Kong Polytechnic University. Mr. Cheung founded Hammer Capital Group Limited in 2013. Prior to founding Hammer Capital Group Limited, he was the director in Capital Markets of Merrill Lynch (Asia Pacific) Limited (“**Merrill Lynch**”). Prior to his position at Merrill Lynch, Mr. Cheung was the Head of Strategic Equity Solutions of Asia Pacific of Citigroup Global Markets Asia Limited. Mr. Cheung had also held key positions in various major investment banks in Asia Pacific such as Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank) and Jardine Fleming Holdings Limited (a member of JPMorgan Chase & Co.).

Mr. Cheung was an executive director of CT Environmental Group Limited (“**CTEG**”) between 3 August 2020 and 10 November 2020 and was appointed as an executive director again and the chief executive officer of CTEG between 19 April 2021 and 19 January 2022, and the shares of CTEG was delisted from the Main Board of the Stock Exchange with effect from 10 September 2021. He is currently the chairman and executive director of Great Wall Terroir Holdings Limited (stock code: 524), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. Cheung has confirmed that, as at the date of the Latest Practicable Date, he is interested in 736,194,000 shares of the Company, of which he is (i) the beneficial owner of 12,952,000 shares of the Company and (ii) deemed to be interested in 723,242,000 shares of the Company held by Leading Virtue Holdings Limited, a company wholly-owned by Mr. Cheung.

Mr. Cheung has entered into a service contract with the Company for a term of three years with effect commencing on 24 January 2022, with the provision that either party may terminate such service contract at any time by giving at least one months’ notice in writing. Mr. Cheung was entitled to a remuneration package comprising a fixed director’s salary of HK\$1,200,000 per annum which was subsequently adjusted to HK\$240,000 per annum with effect from 6 May 2022, with bonus payable at the discretion of the Board and is eligible for participating in the share option scheme of the Company. The remuneration package of Mr. Cheung was determined by reference to his duties and responsibilities, experience, performance and market conditions. In accordance with the Articles, Mr. Cheung’s appointment as executive director is subject to retirement by rotation and eligible for re-election at the AGM.

Saved as disclosed above, as at the Latest Practicable Date, Mr. Cheung does not hold any directorship in other public company in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholder of the Company. Save as disclosed herein, Mr. Cheung does not have any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

**(2) Mr. LEUNG Winson Kwan Yau (“Mr. Leung”)**

Mr. Leung Winson Kwan Yau, aged 37, was appointed as an independent non-executive Director, the chairman of Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company. He joined the Company on 24 October 2016 and was appointed as the chairman of the Audit Committee on 6 December 2016. Mr. Leung is currently a director of Global Business Development at TMF Group, a leading global services provider of high-value business services to clients operating and investing globally. Before joining TMF Group, he served as the financial controller of an international investment management company focusing on the market of the Greater China. Mr. Leung has worked for different international audit firms including KPMG and PricewaterhouseCoopers over the past eight years from October 2008. Mr. Leung obtained a degree of Bachelor of Commerce (Accounting and Finance) from Monash University in Australia in 2008 and has been a member of the CPA Australia since 2011.

In accordance with the service agreement entered into between the Company and Mr. Leung, Mr. Leung would serve as an independent non-executive director for a term of three years commencing on 24 October 2022, unless terminated by either party by three months’ notice. Mr. Leung is entitled to a remuneration package comprising a fixed director’s salary of HK\$240,000 per annum, with bonus payable at discretion of the Board and is eligible for participating in the share option scheme of the Company, which was determined by the Board with reference to his duties and responsibilities, experience, performance and market conditions. In accordance with the Articles, Mr. Leung’s appointment as an independent non-executive director is subject to retirement by rotation and eligible for re-election at the AGM.

Saved as disclosed above, as at the Latest Practicable Date, Mr. Leung does not hold any directorship in other public company in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholder of the Company. Save as disclosed herein, Mr. Leung does not have any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

There is no information relating to each of Mr. Cheung and Mr. Leung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matters relating to each of Mr. Cheung and Mr. Leung that needs to be brought to the attention of the Shareholders and the Stock Exchange.



*The following is a summary of the principal terms of the Scheme Rules. It does not form part of, nor is it intended to be part of the Scheme Rules and it should not be taken as affecting the interpretation of the Scheme Rules. The Board reserves the right at any time prior to the AGM to make such amendments to the 2023 Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix.*

## **1. PURPOSE OF THE 2023 SHARE OPTION SCHEME**

The purpose of the 2023 Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

## **2. ELIGIBLE PARTICIPANTS OF THE 2023 SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS**

- 2.1 Eligible Participants include the Employee Participants (which exclude independent non-executive Directors), the Related Entity Participants and the Service Providers.
- 2.2 The eligibility of, and the terms of grant of Options to each of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to his/her experience in the business of the Group, the length of his/her service with the Group, his/her contribution to the development and long-term growth of the Group and other factors as the Board may at its discretion consider appropriate. When considering eligibility of, and the terms of grant of Options to any Service Provider and whether such Service Provider provides services to the Group on a continuing or recurring basis in the ordinary and usual course of business, the Board shall generally consider all relevant factors as appropriate from time to time, including (i) the industry experience of the Service Provider; (ii) the type(s) of services that the Service Provider had provided to the Group; (iii) the period of engagement of the Service Provider; (iv) the contribution and/or future contribution of the Service Provider to the development and long-term growth of the Group.
- 2.3 When considering eligibility of, and the terms of grant of Options to the Service Providers under the category of vendors and suppliers, the Board will consider, among other things: (i) the nature, reliability and quality of the products and/or services supplied; (ii) the value of the products and/or services provided by the relevant vendors and/or suppliers; (iii) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track records of the relevant vendors and/or suppliers; (vi) the potential and/or actual contribution or significance to the



financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and (vii) the replacement cost of such vendors and/or suppliers and/or the products and/or services (including continuity and stability of supply or provision of such products and/or services in the market).

- 2.4 When considering eligibility of, and the terms of grant of Options to the Service Providers under the category of advisors, consultants, agents and/or other professional firms, the Board will consider, among other things: (i) individual performance of the relevant advisors, consultants, agents and/or other professional firms, including but not limited to the reliability and quality of the products and/or services supplied; (ii) their knowledge, experience and network in the relevant industry; (iii) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track records of the relevant advisors, consultants, agents and/or other professional firms; (vi) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply of products and/or services, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); (vii) the replacement cost of such advisors, consultants, agents and/or other professional firms (including continuity and stability of provision of the necessary services in the market); and (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant advisors, consultants, agents and/or other professional firms, and/or the synergy between the relevant advisors, consultants, agents and/or other professional firms and the Group.
- 2.5 When considering eligibility of, and the terms of grant of Options to the Service Providers under the category of independent contractors, the Board will consider, among other things: (i) individual performance of the relevant independent contractors, including but not limited to the reliability and quality of the products and/or services supplied; (ii) their knowledge, experience and network in the relevant industry; (iii) the nature, scope and frequency of the collaborating projects and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track records of the relevant independent contractors; (vi) the potential and/or

actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply of products and/or services, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and (vii) the replacement cost of such independent contractors and/or the products and/or services (including continuity and stability of supply or provision of such products and/or services in the market); and (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant independent contractors, and/or the synergy between the independent contractors and the Group.

2.6 Service Providers should be, or anticipated to be going forward, significant suppliers of products or services, or otherwise significant to the Group's business development. The Board will also consider whether the Service Providers have provided services to the Group on a continuing or recurring basis in its ordinary and usual course of business, taking into account whether the continuity and frequency of the services provided by a Service Provider are akin to those of its employees of the Group based on the following factors:

- (i) the type(s) of services that the Service Provider had provided to the Group in the past 12 months;
- (ii) the period of engagement of the Service Provider, including whether the Service Provider had entered into an agreement with the Group in the past 12 months with a term of no less than two years; or
- (iii) the Service Providers who are either former management or former employees of the Group, since the Group values their familiarity with and understanding of the businesses and operations of the Group and considers that their contribution to the Group is similar to those of the employees of the Group.

### **3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

3.1 The total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other share scheme(s) of the Company must not, in aggregate, exceed 10% of the total number of issued Shares as of the Adoption Date of the 2023 Share Option Scheme (i.e. the Scheme Mandate Limit) unless the Company obtains an approval from the Shareholders pursuant to paragraphs 3.3 and 3.4 below. The Options which are cancelled in accordance with the Scheme Rules and any other share scheme(s) of the Company shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

- 3.2 Subject to paragraph 3.1 above, the total number of Shares which may be allotted and issued in respect of all Options to be granted under the 2023 Share Option Scheme and any other share scheme(s) of the Company to Service Providers shall be within the Scheme Mandate Limit and must not, in aggregate, exceed 1% of the total number of issued Shares as of the Adoption Date of the 2023 Share Option Scheme (i.e. the Service Provider Sublimit) unless the Company obtains an approval from the Shareholders pursuant to paragraphs 3.3 and 3.4 below.
- 3.3 Without prejudice to paragraph 3.4 below, the Company may seek approval of its Shareholders in a general meeting to refresh the Scheme Mandate Limit and Service Provider Sublimit after three years from the approval of the Shareholders for the adoption of the 2023 Share Option Scheme or the last refreshment.
- 3.4 Any refreshment within any three-year period must be approved by Shareholders of the issuer subject to:
- (a) any Controlling Shareholders and their associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
  - (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under paragraphs 3.4(a) and 3.4(b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro-rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the relevant class of issued Shares) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole share.

- 3.5 The total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other share scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the issued Shares as at the date of approval of the limit.
- 3.6 The Company may seek separate Shareholders' approval in a general meeting to grant Options under the 2023 Share Option Scheme beyond the Scheme Mandate Limit or, if applicable, the extended limit referred to in paragraph 3.3 or 3.4 above provided the Options in excess of the limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of Options to be granted to such Eligible Participants must be fixed before Shareholders' approval. In respect of any

Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of the grant for the purpose of calculating the Subscription Price.

#### 4. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

Subject to paragraph 21.1 below, the total number of issued Shares which may fall to be issued upon exercise of the Options and the options or awards granted under any other share scheme(s) of the Company (including both exercised or outstanding options but excluding any options and awards lapsed in accordance with Scheme Rules) to each Grantee in any 12-month period up to and including the date of such grant shall not exceed 1% of the issued share capital of the Company for the time being (the “1% Individual Limit”). Where any further grant of Options to a Grantee under the 2023 Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options and awards granted and proposed to be granted to such person (including exercised, cancelled and outstanding options but excluding any options and awards lapsed in accordance with the terms of the scheme) under the 2023 Share Option Scheme and any other share scheme(s) of the Company in the 12-month period up to and including the date of such further grant exceeding the 1% Individual Limit, such further grant must be separately approved by Shareholders in a general meeting with such Grantee and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The number and terms of the options to be further granted to such Grantee must be fixed before Shareholders’ approval. In respect of any options to be further granted, the date of the Board meeting for proposing such further grant should be taken as the date of the grant for the purpose of calculating the Subscription Price.

#### 5. ACCEPTANCE OF OPTION

- 5.1 An Offer shall have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 5.2 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.

5.3 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 5.1 or 5.2 above, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 5.1 or 5.2 above, it will be deemed to have been irrevocably declined.

## **6. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED**

6.1 Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period, which shall be determined and notified by the Board to the Grantee but in any event shall not be more than ten years from the Offer Date of that Option.

6.2 Subject to the Scheme Rules and the fulfilment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in this paragraph 6.2, and paragraphs 9, 10, 11 and 12 below by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for Shares in respect of which the notice is given. Within 21 days (seven days in the case of an exercise pursuant to paragraph 10 below after receipt of the notice and, where appropriate, receipt of the certificate of the Auditor or the independent financial advisers pursuant to paragraph 15 below, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 12.1 below, to the estate of the Grantee) fully paid and issue and deliver to the Grantee (or his/her estate in the event of an exercise by his/her Personal Representative as aforesaid) a share certificate for the Shares so allotted and issued.

## **7. VESTING PERIOD OF OPTION**

The vesting period for Options shall be determined by the Board and, in any case, shall not be less than 12 months. A shorter vesting period may be granted to an Employee Participant at the discretion of the Board in the following circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the share awards they forfeited when leaving the previous employer;
- (b) grants of Options to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;

- (d) grants of Options that are made in batches during a year for administrative and compliance reasons;
- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

## **8. SUBSCRIPTION PRICE**

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 15 below, be at the discretion of the Board, provided that it 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 Offer Date, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Share.

## **9. RIGHTS ON WINDING UP**

An Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that, in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his/her Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.2 above and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his Option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon he/she shall accordingly be entitled, in respect of the Shares allotted and issued to him/her in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation equally with the holders of the issued Shares on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.



**10. RIGHTS ON A GENERAL OR PARTIAL OFFER**

An Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that, if a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders in the Company, the Grantee shall, notwithstanding any other terms on which his Option was granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 6.2 above at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, an Option shall lapse automatically (to the extent not already exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

**11. RIGHTS ON A COMPROMISE OR ARRANGEMENT**

An Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that, in the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to the Shareholders or creditors of the Company to consider such a scheme or arrangement, and thereupon any Grantee (or his/her Personal Representative(s)) may, by notice in writing to the Company accompanied by the remittance for the total exercise price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than two Business Days (excluding any period(s) of closure of the Register of Members) prior to the proposed meeting) exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Register of Members) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof.

**12. RIGHTS ON CEASING EMPLOYMENT, DEATH/DISABILITY OR DISMISSAL**

12.1 An Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that if the Grantee is an Employee Participant and in the event of his/her ceasing to be an Employee Participant by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Option in full, his/her Personal Representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.2 above within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Group whether his/her salary is paid in lieu of notice or not, or, if any of the events referred to in paragraph 9 or 10 above occur during such period, exercise the Option pursuant to paragraph 9 or 10 above respectively; and

12.2 An Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that if the Grantee is an Employee Participant, who may be subject to a vesting period of less than 12 months only under the circumstances stated in paragraph 7 above. In the event of the Grantee ceasing to be an Employee Participant for any reason other than his/her death, ill-health or retirement in accordance with his/her contract of employment or the termination of his/her employment on one or more of the grounds specified in paragraph 14(c) below before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary whether his/her salary is paid in lieu of notice or not.

**13. DURATION OF THE 2023 SHARE OPTION SCHEME**

Subject to paragraphs 17 and 22 below, the 2023 Share Option Scheme shall be valid and effective until the Termination Date, which means the close of business of the Company on the tenth anniversary of the Adoption Date, after which period no further Options may be issued but the provisions of the 2023 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the terms of the 2023 Share Option Scheme.



**14. LAPSE OF OPTION**

The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse automatically on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraphs 9, 10, 11 and 12 above;
- (c) in respect of a Grantee who is an Employee Participant, the date on which the Grantee ceases to be an Employee Participant by reason of termination of his employment on the grounds that he/she has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or the Group into disrepute) and shall not in any event be exercisable on or after the date of cessation to be an Employee Participant;
- (d) in respect of a Grantee other than an Employee Participant, the date on which the Board shall at their absolute discretion determine that (i) (aa) such Grantee has committed any breach of any contract entered into between such Grantee on the one part and the Group on the other part; or (bb) such Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her creditors generally; or (cc) such Grantee could no longer make any contribution to the growth and development of the Group by reason of the cession of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse as a result of any event specified in (i)(aa) to (cc) above; and
- (e) the date on which the Board shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 18 below by the Grantee in respect of that or any other Option.

**15. ADJUSTMENT**

15.1 In the event of any alteration in the capital structure of the Company, whilst any Option remains exercisable or the 2023 Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the Auditor or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the 2023 Share Option Scheme or any Option(s) relate(s) (insofar as it is/they are unexercised); and/or
- (b) the Subscription Price of any Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remain comprised in an Option,

and an adjustment as so certified by the Auditor or such independent financial adviser shall be made, provided that:

- (d) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company (as interpreted in accordance with the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes), rounded to the nearest whole share, for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- (e) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (f) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (g) any such adjustment shall be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time.

In respect of any adjustment referred to in this paragraph 15.1, other than any adjustment made on a capitalisation issue, the Auditor or such independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules and the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes.

15.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 15.1 above, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.2 above, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditor or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditor or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 15.1 above.

15.3 In giving any certificate under this paragraph 15, the Auditor or the independent financial adviser appointed under paragraph 15.1 above shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

## **16. CANCELLATION OF OPTIONS GRANTED**

16.1 Subject to paragraph 18 below and Chapter 17 of the Listing Rules, any Option granted may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Board.

16.2 Where the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with the available Scheme Mandate Limit, Service Provider Sublimit or the limits approved by the Shareholders pursuant to paragraph 3.3 or 3.4 above (excluding, for this purpose, the Options so cancelled).

## **17. TERMINATION OF THE 2023 SHARE OPTION SCHEME**

The Company may by an ordinary resolution in a general meeting, at any time terminate the operation of the 2023 Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the 2023 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2023 Share Option Scheme.

**18. TRANSFERABILITY OF OPTIONS**

An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do, unless a waiver is granted by the Stock Exchange allowing the transfer of the Option to a vehicle for the benefit of the Grantee and any family members of such Grantee for estate planning and tax planning purposes that would continue to meet the purpose of the 2023 Share Option Scheme and compliance of the Listing Rules. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.

**19. ALTERATION OF THE 2023 SHARE OPTION SCHEME**

19.1 Subject to paragraphs 19.2 and 19.4 below, the 2023 Share Option Scheme may be altered in any respect by a resolution of the Board except that any alterations to:

- (a) the provisions of the 2023 Share Option Scheme as to the definitions of “Eligible Participants”, “Grantee”, “Option Period” and “Termination Date” in the Scheme Rules;
- (b) the provisions of the 2023 Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules; and
- (c) the terms and conditions of the 2023 Share Option Scheme which are of a material nature;

to the advantage of Grantees or prospective Grantees must be approved by the Shareholders in a general meeting, 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 holders of the Shares under the Articles for the time being for a variation of the rights attached to the Shares.

19.2 Subject to paragraph 19.3 below, any change to the terms of Options granted to a participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.

19.3 Any change to the authority of the Board or the administrators of the 2023 Share Option Scheme to alter the terms of the 2023 Share Option Scheme must be approved by the Shareholders in a general meeting.

19.4 The terms of the 2023 Share Option Scheme and/or any Options amended pursuant to this paragraph 19 must comply with the applicable requirements of the Listing Rules.

## 20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

20.1 The Board may determine and set any performance targets, which shall be stated in the Offer to the Grantee, to be attained before the exercise of an Option granted to the Grantee as the Board may think fit. Such performance targets may include: (i) aggregate amount of revenue or business generated by the specific Grantee during a financial year; (ii) annual results of the Company, annual growth on the revenue of the Group as compared to the immediately preceding financial year and performance of the Group; and (iii) any measurable performance benchmark which the Board considers relevant to the Grantee, including key performance indicators of respective department(s) and/or business unit(s) that the Grantee belongs, individual position, annual appraisal result and performance of the Grantee, and contributions made by the Grantee to the Group.

20.2 As each Grantee plays different roles and contributes in different ways to the Group, the Board (or the Remuneration Committee as the case may be) shall have regard to the purpose of the 2023 Share Option Scheme, the position, contributions and importance of the Grantee to the Group in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Grantee(s).

20.3 Unless the Board otherwise determined and stated in the offer of the grant of Options to a Grantee, there is no clawback mechanism under the 2023 Share Option Scheme to recover or withhold the remuneration (which may include any Options granted) to any Eligible Participants.

20.4 Although the 2023 Share Option Scheme does not prescribe a clawback mechanism, where there has been an occurrence of misconduct such as (i) any material misstatements or omissions in the Company's financial statements by a Grantee; (ii) any violation by a Grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information; (iii) any termination of employment contracts by a Grantee without notice or payment in lieu of notice; (iv) any conviction of any criminal offence by a Grantee involving integrity or honesty; or (v) any conduct of a Grantee that has material adverse effect to the reputation or interests of the Group, the Options may be subject to clawback as determined by the Board from time to time where appropriate. The clawback of Options or option Shares granted to the Directors and senior management of the Group, and any grants of Options or option Shares to the Directors and senior management of the Group without clawback, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

**21. GRANT OF OPTIONS TO CONNECTED PERSONS**

- 21.1 Where there is any grant of Options to the Director, chief executive or Substantial Shareholder of the Company or any of their respective associates, it must be approved by the independent non-executive Directors. Without prejudice to this paragraph 21.1, where any grant of Options to an independent non-executive Director or a Substantial Shareholder of the Company or any of their respective associates, 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 but excluding any Options and awards lapsed in accordance with the Scheme Rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued Shares, such further grant of Options must be approved by the Shareholders in a general meeting by poll that the Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting in accordance with Rule 17.04(4) of the Listing Rules. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.
- 21.2 Any change in the terms of Options granted to a participant who is a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates, must be approved by Shareholders in the manner as set out in this paragraph 21.2 if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the 2023 Share Option Scheme). The requirements for the grant of Options to a Director or chief executive of the Company set out in paragraph 21.1 above do not apply where the participant is only a proposed director or chief executive of the Company.
- 21.3 For the purpose of seeking the approval of the Shareholders under paragraph 3 above, the Company must send a circular to the Shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the general meeting convened to obtain the requisite approval shall be taken on a poll with those connected persons required under the Listing Rules abstaining from voting.

**22. CONDITIONS OF THE 2023 SHARE OPTION SCHEME**

The 2023 Share Option Scheme is conditional upon:

- (a) the Stock Exchange granting the listing of and the permission to deal in such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme and any other share scheme(s) of the Company;
- (b) passing of an ordinary resolution by the Shareholders in the general meeting of the Shareholders to terminate the Existing Share Option Scheme; and

- (c) passing of an ordinary resolution to approve and adopt the 2023 Share Option Scheme in the general meeting of the Shareholders and to authorise the Board to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the 2023 Share Option Scheme.

### 23. RANKING OF SHARES

Shares to be allotted and issued 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 equally in all respects with the then existing fully paid issued Shares on the Exercise Date and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date 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 Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the Register of Members as the holder thereof.

The Company may establish a trust (“**Trust**”) and appoint a trustee to hold the Shares for the purposes of: (i) holding the Shares allotted and issued by the Company under the 2023 Share Option Scheme and reserved for specified Eligible Participants; (ii) settling the Options; and (iii) taking other actions for the purposes of administering and implementing the 2023 Share Option Scheme. The trustee of the Trust shall be instructed by the Company.

The trustee, if any, holding the unvested Options, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules.

### 24. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange:

- (a) an Offer may not be made after inside information has come to the Company’s knowledge until it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:
  - (i) 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, quarter-year period or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the Company to announce its results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Offer may be made; and



- (b) the Board may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares under such circumstances as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.





**Shunten International (Holdings) Limited**  
**順騰國際(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 932)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “AGM”) of Shunten International (Holdings) Limited (the “**Company**”) will be held at Unit D, 7/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on Friday, 1 September 2023 at 3:30 p.m. for the purpose to, as ordinary business, consider and if thought fit, passing the following ordinary resolutions with or without amendments:

**ORDINARY RESOLUTIONS**

1. to receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “**Director(s)**”) and auditors of the Company for the year ended 31 March 2023;
2. (a) to re-elect Mr. CHEUNG Siu Fai as executive Director;  
(b) to re-elect Mr. LEUNG Winson Kwan Yau as independent non-executive Director; and  
(c) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint Moore Stephens CPA Limited as the auditors of the Company and to authorise the board of Directors to fix their remuneration;

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

4. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company and to make or grant offers, agreements and options, including warrants to subscribe for the shares of the Company (the “**Shares**”), which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (i) 20 per cent. of the number of issued Shares on the date of the passing of this resolution; and
  - (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of issued Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date 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 Articles, the Companies Act of the Cayman Islands (the “**Companies Act**”) or any applicable laws of Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”;

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number and description of the Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date 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 Articles, the Companies Act or any applicable laws of Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”; and
- 6. “**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the number of issued Shares referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”;
- 7. “**THAT** the Existing Share Option Scheme conditionally adopted by the Company on 24 September 2013 and effective on 11 October 2013 be and is hereby terminated and cease to be effective with effect from the conclusion of the AGM.”;
- 8. “**THAT**:
  - (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares (or such Shares as shall result from a capitalization issue, rights issue, subdivision, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) which may be issued in respect of the Options to be granted under the 2023 Share Option Scheme proposed to be adopted by the Company at the AGM in its present form or as may be amended from time to time, a copy of which is tabled at the AGM and marked “A” and initialled by the chairman of the AGM for identification purpose, the 2023 Share Option Scheme be and is hereby approved and adopted; and any Director and/or his/her delegate(s) 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 2023 Share Option Scheme, including but without limitation:
    - (i) to administer the 2023 Share Option Scheme under which the Options will be granted to the Eligible Participants eligible under the 2023 Share Option Scheme to subscribe for the Shares, including but not limited to determining and granting the Options in accordance with the terms of the 2023 Share Option Scheme; and

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- (ii) to grant the Options under the 2023 Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the Options to be granted under the 2023 Share Option Scheme and subject to the Listing Rules and the Companies Act;
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share schemes of the Company must not in aggregate exceed 10% of the total number of issued Shares as at the Adoption Date.”; and
9. “**THAT:**

conditional on the passing of the ordinary resolution numbered 8 set out in this notice and the adoption of the 2023 Share Option Scheme, within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the 2023 Share Option Scheme and any other option or award schemes of the Company must not in aggregate exceed 1% of the total number of issued Shares as at the Adoption Date.”

By order of board of Directors of  
**Shunten International (Holdings) Limited**  
**CHEUNG Siu Fai**  
*Chairman and Executive Director*

Hong Kong, 21 July 2023

*Registered office:*  
Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*  
Unit D, 7/F, KC100  
100 Kwai Cheong Road  
Kwai Chung  
New Territories  
Hong Kong

*Notes:*

1. Unless otherwise stated, the capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 21 July 2023.
2. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

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3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company's Hong Kong branch share registrar and transfer agent, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the annual general meeting (i.e. 3:30 p.m. (Hong Kong Time) on 30 August 2023) or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish.
4. In the case of joint holders of shares, any one of such holders may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. Delivery of a form of proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the form of proxy shall be deemed to be revoked.
6. For the purpose of ascertaining shareholders' entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 29 August 2023 to Friday, 1 September 2023 (both days inclusive), during which period no transfers of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer documents accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer agent in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 28 August 2023.
7. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
8. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
9. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.shunten.com.hk](http://www.shunten.com.hk) and to notify shareholders of the date, time and place of the adjourned meeting. The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.
10. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.

*As at the date of this notice, the Board comprises two executive directors of the Company, namely, Mr. CHEUNG Siu Fai and Mr. LAM Wai Tong, and three independent non-executive directors of the Company, namely, Mr. LEUNG Winson Kwan Yau, Mr. LIU Ying Shun and Ms. DONG Jian Mei.*