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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 Shoucheng Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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### 首程控股有限公司 SHOUCHENG HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 697)

## PROPOSED ADOPTION OF SHARE INCENTIVE PLAN AND NOTICE OF GENERAL MEETING

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A notice convening the GM of Shoucheng Holdings Limited to be held at 10:00 a.m. on Wednesday, 3 November 2021 at Boardroom 6, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 15 to 16 of this circular. Whether or not you are able to attend the meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the GM (i.e., at or before 10:00 a.m. on Monday, 1 November 2021 (Hong Kong Time)), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

#### PRECAUTIONARY MEASURES FOR THE GM

In view of the ongoing COVID-19 pandemic and with a view to minimize the Shareholders' and attendees' risk of infection, the Company will implement the following precautionary measures at the GM:

- (1) Compulsory temperature screening/checks and compulsory health declaration
- (2) Compulsory wearing of surgical face mask prior to admission and throughout the GM
- (3) Seat will be assigned at the GM venue to ensure social distancing
- (4) No distribution of corporate gifts
- (5) No provision of refreshments or drinks or refreshment packs

Attendees who do not comply with the above precautionary measures may be denied entry into the GM venue, at the absolute discretion of the Company as permitted by law.

**For the health and safety of Shareholders, the Company encourages Shareholders to exercise their right to vote at the GM by appointing the chairman of the GM as their proxy and to return their proxy forms by the time specified herein, or through HKSCC Nominees Limited by giving instructions to their brokers and custodians, instead of attending the GM in person.**

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the GM (if any).

18 October 2021

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## **PRECAUTIONARY MEASURES FOR THE GM**

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For the health and safety of Shareholders, the Company encourages Shareholders to exercise their right to vote at the GM by appointing the chairman of the GM as their proxy and to return their proxy forms by the time specified herein, or through HKSCC Nominees Limited by giving instructions to their brokers and custodians, instead of attending the GM in person.

In view of the ongoing COVID-19 pandemic and with a view to minimize the Shareholders' and attendees' risk of infection, the Company will implement the following precautionary measures at the GM:

- (1) compulsory temperature screening/checks and compulsory health declaration. Anyone with a body temperature above the reference range quoted by the Department of Health, Hong Kong from time to time, or is exhibiting flu-like symptoms may be denied entry into the GM venue and be requested to leave the GM venue;
- (2) compulsory wearing of surgical face mask prior to admission and throughout the GM;
- (3) a seat will be assigned to each attendee at the GM venue to ensure social distancing;
- (4) there is no distribution of corporate gifts; and
- (5) no provision of refreshments or drinks or refreshment packs at the GM venue.

Attendees who do not comply with the above precautionary measures may be denied entry into the GM venue, at the absolute discretion of the Company as permitted by law. To the extent permitted under law, the Company reserves the right to deny entry into the GM venue or require any person to leave the GM venue in order to ensure the safety of other attendees at the GM.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the GM (if any). Shareholders should check the website of the Company ([www.shouchengholdings.com](http://www.shouchengholdings.com)) for future announcements and updates on the GM arrangements.

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## DEFINITIONS

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

“Award(s)”	the award of Share Option(s) granted to a Selected Employee pursuant to the Plan;
“Articles”	the articles of association of the Company;
“Beijing SASAC”	the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality;
“Board”	the board of Directors of the Company;
“Company”	Shoucheng Holdings Limited (stock code: 697), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“Connected Selected Employee”	a Selected Employee who is a connected person of the Company;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Effective Period”	has the meaning ascribed to it under the section headed “3. Duration” in the appendix to this circular;
“Employee”	an employee of the Company or any branch or subsidiary of the Company;
“GM”	the general meeting of the Company to be held at Boardroom 6, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 3 November 2021 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages 15 to 16 of this circular;
“Group”	the Company and its subsidiaries;
“Grant Date”	a date on which Award(s) are granted to the Selected Employee(s) pursuant to the Plan;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Grant”	has the meaning ascribed to it under the section headed “7. Grant of Award – Initial Grant” in the appendix to this circular;

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## DEFINITIONS

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“Latest Practicable Date”	13 October 2021, 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;
“Plan Limit”	has the meaning ascribed to it under the section headed “4. Plan Limit” in the appendix to this circular;
“PRC”	the People’s Republic of China (excluding, for the purposes of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan);
“Remuneration Committee”	the remuneration committee of the Board;
“Reserved Grant”	any proposed grant of the Awards subsequent to the Initial Grant under the Plan;
“Selected Employee(s)”	Employee(s) selected by the Board for participation in the Plan;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share Incentive Plan” or “Plan”	the share incentive plan of the Company as described in this circular;
“Share(s)”	ordinary share(s) of the Company;
“Share Option(s)”	the right to purchase Share(s) at the agreed exercise price within the exercise period, subject to fulfillment of the relevant exercise conditions, pursuant to the Plan;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trading Day”	a day on which trading of Shares is conducted on the Stock Exchange;
“Trustee”	BOCI Trustee (Hong Kong) Limited, being the trustee appointed by the Company to administer the Share Options to be granted under the Plan from time to time or any additional or replacement trustee(s); and
“%”	per cent.

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LETTER FROM THE BOARD

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首程控股有限公司  
SHOUCHENG HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 697)

*Executive Directors:*

Mr. Zhao Tianyang (*Chairman*)

Mr. Xu Liang

Mr. Li Wei (*President*)

Ms. Zhang Meng

*Registered Office:*

7th Floor

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

*Non-executive Directors:*

Mr. Liu Jingwei

Mr. Ho Gilbert Chi Hang

Mr. Li Hao

Dr. Zhao Xianming

*Independent Non-executive Directors:*

Dr. Wang Xin

Mr. Choi Fan Keung Vic

Mr. Deng Yougao

Ms. Zhang Quanling

Ms. Zhuge Wenjing

18 October 2021

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ADOPTION OF SHARE INCENTIVE PLAN  
AND  
NOTICE OF GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the announcements of the Company dated 29 July 2021 and 12 October 2021 in relation to the proposed adoption of the Plan. The purpose of this circular is to provide the Shareholders with (i) details regarding the resolution to be proposed at the GM for the proposed adoption of the Plan and (ii) notice of GM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED ADOPTION OF THE PLAN

On 11 October 2021, the Company obtained approval from the Beijing SASAC for the Company's implementation of the Plan and the Board resolved to propose the adoption of the Plan for the approval by the Shareholders at the GM pursuant to the requirement under Notice of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance of the People's Republic of China on Issuing the Trial Measures for Implementing the Equity Incentive System by the State-Controlled Listed Companies (Overseas) (Guo Zi Fa Fen Pei [2006] No. 8) and other applicable laws and regulations. The Plan does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary plan of the Company.

The purpose of this circular is to give Shareholders a notice of the GM, which is set out on pages 15 to 16 of this circular and to provide Shareholders with information to enable them to consider and vote for or against the resolution to be proposed at the GM as described below.

### 3. SUMMARY OF THE PLAN

The purposes of the Plan are to align the interests of Employees, Company and the Shareholders for the Company's long-term development, to attract, motivate and retain talents, to establish and improve the long-term incentive mechanism of the Company, with a view to achieving the objectives of further enhancing Shareholders' value.

The Selected Employees under the Plan are limited to Directors and senior management of the Company, core management, technical and business personnel of the Company and its branches and subsidiaries, but excluding non-executive Directors or other personnel subject to restrictions of applicable regulations.

The grant and exercise of any Award by a grantee shall be subject to the satisfaction of the exercise conditions as specified in the Plan, including, among others, the Company's performance and the individual grantee's performance of each year during the grant and the exercise periods.

The total number of Shares which may be awarded upon the exercise of Awards granted under the Plan shall be no more than 173,139,000 Shares, representing approximately 2.37% of the total number of issued Shares as at the Latest Practicable Date. The maximum number of Shares awarded and to be awarded upon the exercise of Awards (including exercised or unexercised) granted to any individual Selected Employee under the Plan shall be no more than 1% of the total number of issued Shares.

Each Grant Date shall be determined by the Board after the Plan has been approved by the Beijing SASAC and the Shareholders at the GM, and must be a Trading Day. No grant of any Award shall be made to any Selected Employee in any circumstances which are prohibited under the Listing Rules.

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## LETTER FROM THE BOARD

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Subject to the adoption of the Plan by the Shareholders at the GM and the terms of the Plan, Awards to purchase up to 138,511,200 Shares (representing approximately 1.90% of the total number of issued Shares as at the Latest Practicable Date) shall be granted to not more than 50 Selected Employees on the first Grant Date. Details of the grant under the Plan are set out in the appendix to this circular.

Pursuant to the Plan, Shares shall be acquired in the secondary market by the Trustee utilizing the Company's internal resources provided to the Trustee to satisfy the transfer of Shares to the Selected Employee(s) upon the exercise of Awards granted under the Plan.

The Trustee shall hold such Shares on trust pursuant to the trust deed entered into with the Company until the Shares are vested in the Selected Employees in accordance with the Plan. The Trustee shall not exercise any voting rights in respect of any Shares held under the trust (including but not limited to the Shares in respect of an Award, any bonus Shares and scrip Shares derived therefrom).

The Board considers that it would not be appropriate to state the value of the Awards that may be granted under the Plan as if they have been granted as at the Latest Practicable Date, given that the variables which are crucial for the calculation of such value cannot be reasonably ascertained at this stage. Such variables include, but not limited to, the period during which the Share Options may be exercised, the Company's performance and the individual Selected Employee's performance or other conditions, restrictions or limitations that the Board may impose with respect to the Share Options. The Board believes that it would not be meaningful and may even be misleading to Shareholders if the value of the Awards is calculated based on a set of speculative assumptions. On each balance sheet date during the vesting period of the Share Options, the services obtained in such period shall, based on the best estimate of the number of the exercisable Share Options, be included in the relevant assets costs or current expenses and in the capital reserves at the fair value of the Share Options on the Grant Date.

The adoption of the Plan is subject to Shareholders' approval at the GM. Subject to the adoption of the Plan by the Shareholders at the GM, the Company will comply with the applicable requirements under the Listing Rules in respect of the operation of the Plan. For the avoidance of doubt, the operation of the Plan does not involve the issue of new Shares by the Company, so the Plan does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary plan of the Company.

A summary of principal terms of the Plan is set out in the appendix to this circular. A copy of the Plan will be available for inspection at 7th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the GM and will be available for inspection at the GM.



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## LETTER FROM THE BOARD

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### 4. LISTING RULES IMPLICATIONS

The Plan does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary plan of the Company. Accordingly, no Shareholders' approval is required for the adoption or implementation of the Plan pursuant to the Listing Rules.

Each of the Connected Selected Employees is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the grant of Award to each of the Connected Selected Employees constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares will be allotted and issued upon exercise and vesting of such Award granted to the Connected Selected Employees. Any Award granted to the Connected Selected Employees will be pursuant to their respective service contract with the Company and which form part of their respective remuneration package under his/her service contract. As such, the grant of Award to each of the Connected Selected Employees is exempt from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rules 14A.73(6) and Rule 14A.95 of the Listing Rules.

### 5. RECORD DATE

The GM is scheduled to be held on Wednesday, 3 November 2021. Holders of Shares whose names appear on the register of members of the Company kept at Tricor Tengis Limited at the close of business on Tuesday, 2 November 2021 are eligible to attend and vote at the GM following the completion of the registration procedures. In order to be eligible to attend and vote at the GM, unregistered holders of Shares should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 November 2021 (Hong Kong Time).

### 6. GENERAL MEETING

A notice of the GM is set out on pages 15 to 16 of this circular. In accordance with the requirements of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

A form of proxy for the GM is enclosed herewith. Whether or not you are able to attend the GM, you are requested to complete the form of proxy and return it to the share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for holding the GM (i.e., at or before 10:00 a.m. on Monday, 1 November 2021 (Hong Kong Time)), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM or any adjourned meeting (as the case may be) should you so wish.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, each of Mr. Zhao Tianyang, Mr. Li Wei and Ms. Zhang Meng is interested in approximately 0.0096%, 0.0140% and 0.0036% of the Shares in issue respectively. Given that each of them is a proposed grantee under the Initial Grant, Mr. Zhao Tianyang, Mr. Li Wei and Ms. Zhang Meng shall abstain from voting at the GM in respect of the resolution to approve the Plan. Since the Company has yet to finalise the identity of other Selected Employees, the number and terms of their respective Award under the Initial Grant as at the Latest Practicable Date, if any of the other Selected Employees under the Initial Grant is a Connected Selected Employee, he/she shall abstain from voting at the GM in respect of the resolution to approve the Plan and the Company will make further announcement (where applicable) pursuant to the applicable requirement under the Listing Rules in connection with the grant of Award under the Plan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, saved as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the resolution to approve the Plan.

### 7. 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.

### 8. RECOMMENDATION

The Directors consider that the proposed adoption of the Plan is in the best interests of the Group and its Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the ordinary resolution to be proposed at the GM in respect thereof.

Yours faithfully,  
For and on behalf of  
**Shoucheng Holdings Limited**  
**Zhao Tianyang**  
*Chairman*

*The following is a summary of the principal terms of the Plan proposed to be approved at the GM.*

## **1. PURPOSES**

The purposes of the Plan are to align the interests of Employees, Company and the Shareholders for the Company's long-term development, to attract, motivate and retain talents, to establish and improve the long-term incentive mechanism of the Company, with a view to achieving the objectives of further enhancing Shareholders' value.

## **2. ELIGIBLE PARTICIPANTS**

The Selected Employees under the Plan are limited to Directors and senior management of the Company, core management, technical and business personnel of the Company and its branches and subsidiaries, but excluding non-executive Directors or other personnel subject to restrictions of applicable regulations.

Factors taken or to be taken into account by the Board when determining the Selected Employees under the Initial Grant include quality, ability, potential and mobility of the Employees, the demand of such type of talents in the market, and the value of the Employees to the Company's future performance. The Board shall have the authority to determine the Selected Employees. As for the Reserved Grant, the Board will determine the Selected Employees based on the need for the Company's business development. The Selected Employees under the Initial Grant will not be awarded any Award under the Reserved Grant.

## **3. DURATION**

Subject to any early termination in accordance with the Plan, the Plan shall be valid and effective for a term of six (6) years from the date on which the Board resolved to make the Initial Grant of Awards under the Plan ("**Effective Period**").

## **4. PLAN LIMIT**

The total number of Shares which may be awarded upon the exercise of Awards granted under the Plan shall be no more than 173,139,000 Shares, representing approximately 2.37% of the total number of issued Shares as at the Latest Practicable Date ("**Plan Limit**").

The maximum number of Shares awarded and to be awarded upon the exercise of Awards (including exercised or unexercised) granted to any individual Selected Employee under the Plan shall be no more than 1% of the total number of issued Shares.

**5. MANAGEMENT**

Subject to Shareholders' approval at the GM to consider the Plan, the Board shall be the executive management body of the Plan, and the Remuneration Committee shall be responsible for the drafting, amendment and implementation of the Plan, and to act on the relevant matters of the Plan subject to the approvals of the Shareholders.

**6. SOURCE OF SHARES**

Pursuant to the Plan, Shares shall be acquired in the secondary market by the Trustee utilizing the Company's internal resources provided to the Trustee to satisfy the transfer of Shares to the Selected Employee(s) upon the exercise of Awards granted under the Plan.

The Trustee shall hold such Shares on trust pursuant to the trust deed entered into with the Company until the Shares are vested in the Selected Employees in accordance with the Plan. The Trustee shall not exercise any voting rights in respect of any Shares held under the trust (including but not limited to the Shares in respect of an Award, any bonus Shares and scrip Shares derived therefrom).

No Director has any interest in the Trustee. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Trustee is independent from the Company and its connected persons.

For the avoidance of doubt, the operation of the Plan does not involve the issue of new Shares by the Company.

**7. GRANT OF AWARD**

Each Grant Date shall be determined by the Board after the Plan has been approved by the Beijing SASAC and the Shareholders at the GM, and must be a Trading Day.

No grant of any Award shall be made to any Selected Employee in any circumstances which are prohibited under the Listing Rules.

**Initial Grant**

Subject to the adoption of the Plan by the Shareholders at the GM, Awards to purchase up to 138,511,200 Shares (representing approximately 1.90% of the total number of issued Shares as at the Latest Practicable Date) shall be granted to not more than 50 Selected Employees on the first Grant Date (the "**Initial Grant**").

Subject to the final determination of the Board and compliance with the Listing Rules and all applicable laws and regulations, the preliminary allocation of the Awards in respect of the Initial Grant under the Plan are as follows:

Selected Employees	Number of Shares underlying the Awards granted	Percentage to the Plan Limit	Percentage to the total number of issued Shares as at the Latest Practicable Date
<b>Connected Selected Employees:</b>			
Mr. Zhao Tianyang ( <i>executive Director and Chairman of the Board</i> )	7,000,000	4.04%	0.10%
Mr. Xu Liang ( <i>executive Director</i> )	5,000,000	2.89%	0.07%
Mr. Li Wei ( <i>executive Director and President of the Board</i> )	9,000,000	5.20%	0.12%
Ms. Zhang Meng ( <i>executive Director</i> )	7,000,000	4.04%	0.10%
<b>Other Selected Employees:</b>			
Not more than 46 Selected Employees	<u>110,511,200</u>	<u>63.83%</u>	<u>1.52%</u>
Total	<u><u>138,511,200</u></u>	<u><u>80%</u></u>	<u><u>1.90%</u></u>

*Note: All percentages in the above table are approximations.*

As at the Latest Practicable Date, the identity of other Selected Employees, the number and terms of their respective Award under the Initial Grant, and the Grant Date of the Initial Grant have yet to be finalized. The Company will comply with applicable requirement of the Listing Rules for the grant of Awards and make further announcement (where applicable) pursuant to such requirement under the Listing Rules in connection with the grant of Award under the Plan.

The proposed grant of Award to each of the Connected Selected Employees under the Initial Grant has been approved by the Remuneration Committee and the Board (including but not limited to the independent non-executive Directors), save that none of Mr. Zhao Tianyang, Mr. Xu Liang, Mr. Li Wei and Ms. Zhang Meng was involved in deciding the grant of the Award to himself/herself.

**Reserved Grant**

Awards to purchase up to 34,627,800 Shares (representing approximately 0.47% of the total number of issued Shares as at the Latest Practicable Date) may be granted to not more than 20 Selected Employees in respect of the Reserved Grant.

**8. VESTING OF THE SHARES**

The Share Options under an Award shall only be exercised on a Trading Day (unless prohibited by the relevant Listing Rules) after twenty-four (24) months from the relevant Grant Date.

In respect of each grant, upon satisfaction of the exercise conditions as provided under the Plan, the Share Options under an Award shall become exercisable in three exercise periods in the proportion of 33%, 33% and 34% respectively. The Selected Employee shall exercise all his/her Share Options by the last Trading Day on the 60<sup>th</sup> month from the relevant Grant Date.

Once the Share Options are exercised, the relevant Shares underlying the Award will be transferred by the Trustee to the Selected Employees upon verification by the Remuneration Committee.

**9. GRANT AND EXERCISE CONDITIONS**

The grant and exercise of any Award by a grantee shall be subject to the satisfaction of the exercise conditions as specified in the Plan, including, among others, the Company's performance and the individual grantee's performance of each year during the grant and exercise periods.

For the purposes of the Initial Grant, in order to achieve the performance indicators for exercise of the Share Options, the Company shall, among others, after excluding the financial impact of Shougang Fushan Resources Group Limited on the financial statements of the Company, maintain an average annual growth rate of revenue of about 48% and an average annual growth rate of the number of parking spaces being managed of about 45% from the year of devising the grant conditions to the relevant exercise periods; and the research and development expense shall not be less than 3% of the revenue during the exercise periods. The Board will also consider other indicators such as return on equity of the Company when determining the exercise conditions.

**10. EXERCISE PRICE**

The exercise price of a Share Option under an Award shall not be lower than any nominal value of the Shares and shall not be lower than the higher of the following:

- (1) the closing price of the Shares on the relevant Grant Date; and

- (2) the average closing price of the Shares on the five (5) Trading Days prior to the relevant Grant Date.

#### **11. TRANSFER RESTRICTIONS**

Shares obtained pursuant to the Plan by a Selected Employee who is a Director or senior management of the Company shall be transferrable only in compliance with the Listing Rules, the Articles and other applicable laws and regulations.

Not less than 20% of Shares obtained pursuant to the Plan by a Selected Employee who is a Director or senior management of the Company under the term administration mechanism shall be subject to lock up until the passing of the term appraisal of such person.

#### **12. LAPSE OF THE AWARDS**

Upon the expiration of the Effective Period, Share Options not yet exercised by and/or Shares not yet vested in the Selected Employee shall lapse automatically. All unexercised Share Options shall be cancelled by the Company, and the relevant Shares underlying the Award will be disposed of by the Trustee in the secondary market for the benefit of the Company.

In the event that any of the following event occurs to the Company, the Plan shall be terminated immediately and all Awards which have been granted to the Selected Employees under the Plan but not yet exercised shall cease to be exercisable and shall be cancelled by the Company:

- (i) the failure to engage an auditor's firm to conduct an audit in accordance with the regulated procedures and requirements;
- (ii) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the annual financial report or internal control evaluation report of the Company;
- (iii) significant objection raised by state-owned assets supervision and administration authorities, supervisory committee or audit department with respect to the business performance of the Company or the annual financial report of the Company;
- (iv) occurrence of major violations leading to penalties from securities regulatory agencies and other relevant government departments;
- (v) prohibition from implementation of a share incentive plan by laws and regulations; and
- (vi) any other circumstances as determined by the SFC.

**13. AMENDMENT AND TERMINATION**

The Plan shall terminate on the earlier of the expiry of the Effective Period or such other date as determined by the Shareholders at a general meeting in accordance with the regulatory requirements of the Stock Exchange and the terms of the Plan.

Any alteration, amendment or waiver to the Plan shall be approved by the Shareholders at a general meeting, provided that no such alteration shall operate to accelerate the vesting or reduce the exercise price.

**14. EFFECT OF REORGANISATION OF CAPITAL STRUCTURE**

In the event of any conversion of capital reserve into share capital, distribution of bonus issue, stock division, rights issue, share consolidation and distribution of dividends whilst any Share Option remains outstanding, the Company shall make corresponding adjustments (if any) to:

- (a) the number of Share Options; and/or
- (b) the exercise price of the Share Options.

The Board shall have the authority to determine the adjustments set out in (a) and (b) above. The Company shall engage legal advisors to provide the Board with professional opinions on whether such adjustments are in compliance with the Listing Rules, the Articles and terms of the Plan.



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## NOTICE OF GM

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首程控股有限公司  
**SHOUCHENG HOLDINGS LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 697)

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting (the “GM”) of Shoucheng Holdings Limited (the “Company”) will be held at Boardroom 6, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 3 November 2021 at 10:00 a.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT:**

The share incentive plan (the “Plan”), a copy of which is tabled at the GM and marked “A” and initialled by the chairman of the GM for identification purpose, be and is hereby approved and adopted; and the directors of the Company (the “Directors”) 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 Plan, including without limitation to:

- (i) to administer or authorize any person(s) as deemed appropriate at the sole discretion of the board of Directors to administer the Plan under which share options will be granted to the person(s) eligible under the Plan (“**Selected Employee(s)**”, as defined in the Plan) to purchase shares of the Company pursuant to the Plan, including but not limited to determining and granting the share options and implementing the Plan in accordance with the terms of the Plan;
- (ii) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as the Directors think fit or as may be required or imposed by the relevant authorities in relation to the Plan; and
- (iii) to act on the relevant matters as the Directors in their sole discretion consider necessary or expedient in order to give full effect to the Plan.”

Yours faithfully,  
By order of the Board  
**Shoucheng Holdings Limited**  
**Zhao Tianyang**  
*Chairman*

Hong Kong, 18 October 2021

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## NOTICE OF GM

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*Notes:*

- (1) Any member of the Company entitled to attend and vote at the GM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
- (3) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (i.e., at or before 10:00 a.m. on Monday, 1 November 2021 (Hong Kong Time)), or any adjourned meeting thereof (as the case may be).
- (4) Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of members of the Company to attend and vote at the GM will be the close of business on Tuesday, 2 November 2021. All documents for the transfer of shares of the Company accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 2 November 2021 (Hong Kong Time).
- (5) Completion and return of the form of proxy shall not preclude members of the Company from attending and voting in person at the GM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (6) Where there are joint registered holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the GM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.
- (7) In view of the ongoing COVID-19 pandemic and with a view to minimize the shareholders' and attendees' risk of infection, the Company will implement the following precautionary measures at the GM, (a) compulsory temperature screening/checks and compulsory health declaration; (b) compulsory wearing of surgical face mask prior to admission and throughout the GM; (c) seat will be assigned at the GM venue to ensure social distancing; (d) no distribution of corporate gifts; and (e) no provision of refreshments or drinks or refreshment packs.
- (8) For the health and safety of shareholders, the Company encourages shareholders to exercise their right to vote at the GM by appointing the chairman of the GM as their proxy and to return their proxy forms by the time specified herein, or through HKSCC Nominees Limited by giving instructions to their brokers and custodians, instead of attending the GM in person.
- (9) The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the GM (if any).
- (10) If tropical cyclone warning signal no. 8 or above is hoisted or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at 9:00 a.m. on Wednesday, 3 November 2021, the GM will be postponed or adjourned and further announcement for details of alternative meeting arrangements will be made. The GM will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the GM under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.