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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**PICO FAR EAST HOLDINGS LIMITED**

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

**(Stock Code: 752)**

**PROPOSALS FOR  
GENERAL MANDATES TO BUY BACK SHARES AND  
TO ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM of Pico Far East Holdings Limited to be held at 9:30 a.m. on Friday, March 25, 2022 at 19/F, Pico Tower, 64-66 Gloucester Road, Wanchai, Hong Kong is set out on pages 28 to 31 to this circular. A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

**PRECAUTIONARY MEASURES FOR THE AGM**

Please refer to page 1 of this circular for a full overview of measures to prevent and control the spread of the COVID-19 at the AGM. These include but are not limited to:

- (1) Compulsory body temperature checks
- (2) Compulsory wearing of surgical face mask
- (3) Number of attendees limited to ensure appropriate social distancing. Attendees will be admitted to the AGM venue on a first come, first served basis
- (4) No provision of refreshments or beverages. No eating or drinking is allowed in the AGM venue
- (5) No distribution of gifts or coupons for subsequent consumption

Any person who does not comply with the precautionary measures, or is subject to any Hong Kong Government mandatory quarantine or testing order, will be denied entry to or be required to leave the AGM venue.

Shareholders or proxies may be asked if (i) he/she has travelled outside of Hong Kong within 14 days immediately before the AGM; (ii) he/she is subject to any Hong Kong Government prescribed quarantine or testing requirement; and (iii) he/she has experienced any flu-like symptoms or been in close contact with any person under quarantine or with recent travel history. Any person who responds positively to any of these questions will be denied entry to the AGM venue and will not be allowed to attend the AGM.

**In light of the continuing risks posed by COVID-19 and as part of the Company's measures to ensure the health and safety of Shareholders, the Company strongly recommends Shareholders exercise their right to vote at the AGM by appointing the chairman of the AGM as their proxy, and to return their proxy forms by the time specified, instead of attending the AGM in person.**

February 21, 2022

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## PRECAUTIONARY MEASURES FOR THE AGM

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The Company will implement the following measures at the AGM to prevent and control the spread of the COVID-19 and ensure the health and safety of attending Shareholders, staff and stakeholders:

- (1) Compulsory body temperature checks will be conducted on every attendee at the entrance of the AGM venue. Any person whose temperature is over 37.3 degrees Celsius or who exhibits flu-like symptoms will be denied entry into or be required to leave the venue.
- (2) Every attendee must wear a surgical face mask throughout the AGM and inside the AGM venue. **Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own surgical face masks.**
- (3) In respect to Hong Kong Government's regulation, the number of persons physically attending the AGM inside the venue will be limited. Shareholders and/or their proxies will be admitted into the AGM venue on a first come, first served basis.
- (4) No refreshments or beverages will be served. No eating or drinking is allowed in the AGM venue.
- (5) No distribution of gifts or coupons for subsequent consumption.

Any person who does not comply with the precautionary measures, or is subject to any Hong Kong Government mandatory quarantine or testing order, will be denied entry to or be required to leave the AGM venue at the absolute discretion of the Company.

Shareholders or proxies may be asked if (i) he/she has travelled outside of Hong Kong within 14 days immediately before the AGM; (ii) he/she is subject to any Hong Kong Government prescribed quarantine or testing requirement; and (iii) he/she has experienced any flu-like symptoms or been in close contact with any person under quarantine or with recent travel history. Any person who responds positively to any of these questions will be denied entry to the AGM venue and will not be allowed to attend the AGM.

The Company wishes to advise all Shareholders that in-person attendance at the AGM is not necessary for the purpose of exercising voting rights. For the sake of Shareholders' health and safety, **the Company strongly recommends that Shareholders exercise their voting rights by appointing the chairman of the AGM as their proxy to vote on the relevant resolution(s) instead of attending the AGM in person. This may be arranged by completing and returning the form of proxy attached to this circular by the time specified.**

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change AGM arrangements at short notice. Shareholders should check the Company website ([www.pico.com](http://www.pico.com)) or the Hong Kong Exchanges and Clearing Limited's website ([www.hkexnews.hk](http://www.hkexnews.hk)) for future announcements and updates on AGM arrangements.

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## DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme adopted by the Company on March 22, 2012 with a valid period of ten (10) years commencing on the date on March 22, 2012
“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by the Company by a resolution of the Shareholders at the AGM
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 9:30 a.m. on Friday, March 25, 2022 at 19/F, Pico Tower, 64-66 Gloucester Road, Wanchai, Hong Kong, or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 28 to 31 to this circular
“Articles”	the articles of association of the Company as amended from time to time by resolution of the Shareholders
“Board”	the board of Directors or a duly authorised committee thereof
“Buy-back Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to buy back Shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Code” or “Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
“Company”	Pico Far East Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	any employee (whether full time or part time employee, including any executive Director) of the Company, any of its subsidiaries or any Invested Entity

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## DEFINITIONS

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“Grantee(s)”	a Qualified Participant who accepts the offer of the grant of Option(s) in accordance with the terms and conditions of the New Share Option Scheme or (where the context so permits) a person who, in accordance with the applicable laws of succession, is entitled to any Option(s) (to the extent not already exercised) as a result of the death of any Qualified Participant, or (where the context so permits) the legal representative of such Qualified Participant
“Group”	the Company and its subsidiaries from time to time and “member(s) of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds any equity interest
“Latest Practicable Date”	Wednesday, February 16, 2022, being the latest practicable date prior to the printing of this circular for 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)
“Memorandum”	the existing memorandum of association of the Company
“New Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company on the Adoption Date
“Nomination Committee”	the nomination committee of the Company
“Offer Date”	in respect of an Option, the date on which the Option is offered to a Qualified Participant
“Option(s)”	option(s) to subscribe for Shares to be granted under the New Share Option Scheme

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## DEFINITIONS

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“Option Period”	in respect of an Option, a period of time to be notified by the Board to each Grantee, which the Board may in its sole and absolute discretion determine, save that such period shall not be more than five (5) years commencing on the Offer Date
“Qualified Participant(s)”	(i) any Eligible Employee; and (ii) any non-executive Director (including any independent non-executive Director) of the Company, any of its subsidiaries or any Invested Entity
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
“Share(s)”	the share(s) of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares upon exercise of an Option
“%”	per cent



**PICO FAR EAST HOLDINGS LIMITED**

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

**(Stock Code: 752)**

*Executive Directors:*

Lawrence Chia Song Huat, *Chairman*  
Jean Chia Yuan Jiun  
Mok Pui Keung

*Independent Non-Executive Directors:*

Gregory Robert Scott Crichton  
James Patrick Cunningham  
Frank Lee Kee Wai  
Charlie Yucheng Shi

*Registered Office:*

Kirk House  
P.O. Box 309  
Grand Cayman  
Cayman Islands  
British West Indies

*Corporate Office:*

Pico House  
4 Dai Fu Street  
Tai Po Industrial Estate  
New Territories  
Hong Kong

February 21, 2022

*To the Shareholders*

Dear Sirs or Madams,

**PROPOSALS FOR  
GENERAL MANDATES TO BUY BACK SHARES AND  
TO ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) grant of the New Issue Mandate to issue Shares;
- (b) grant of the Buy-back Mandate for buy-back by the Company of its own Shares;

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## LETTER FROM THE BOARD

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- (c) grant of general extension mandate to extend the New Issue Mandate to include Shares bought back under the Buy-back Mandate;
- (d) re-election of Directors; and
- (e) the adoption of the New Share Option Scheme.

### **GENERAL MANDATE TO BUY BACK SHARES**

At the last annual general meeting of the Company held on Friday, March 26, 2021, the Directors were given a general mandate to buy back Shares. The mandate will expire at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all the powers of the Company to buy back issued and fully-paid Shares. Under such mandate, the number of Shares that the Company may buy back shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the relevant resolution. The Company's authority is restricted to purchase made on the Stock Exchange in accordance with the Listing Rules. The Buy-back Mandate allows the Company to make or agree to make purchases only during the period ending on the earlier of the date of the next annual general meeting or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company. An explanatory statement giving the particulars required under the Listing Rules in respect of the Buy-back Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out in the Appendix I to this circular. Save as disclosed above, the Company did not obtain any other general mandate to buy back Shares in the past 12 months.

### **GENERAL MANDATE TO ISSUE SECURITIES**

At the last annual general meeting of the Company held on Friday, March 26, 2021, the Directors were given a general mandate to allot and issue Shares. The mandate will expire at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to allot, issue and deal with Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares, and to make or grant offers, agreements or options which might require the exercise of such powers, with an aggregate nominal value of not exceeding 20% of the aggregate nominal amount of the existing share capital of the Company in issue on the date of passing the relevant resolution. In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares without the prior approval of the Stock Exchange. The New Issue Mandate may only continue in force during the period ending on the earlier of the date of the next annual general meeting or the date upon which such authority is revoked or varied by ordinary resolution of the Shareholders in a general meeting of the Company. As at the Latest Practicable Date, on the basis of 1,238,208,104 existing Shares in issue, the New Issue Mandate could result in up to 247,641,620 Shares being issued by the Company. The Directors have no present intention to issue any new Shares pursuant to the New Issue Mandate. Save as disclosed above, the Company did not obtain any other general mandate or special mandate to issue securities in the past 12 months.



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## LETTER FROM THE BOARD

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### GENERAL EXTENSION MANDATE

In addition, if the Buy-back Mandate and the New Issue Mandate are granted, an ordinary resolution will be proposed at the AGM that the Directors be granted an extension of New Issue Mandate, which provides that any Shares bought back under the Buy-back Mandate will be added to the total number of Shares which may be allotted and issued under the New Issue Mandate.

### RE-ELECTION OF THE DIRECTORS

Pursuant to article 116 of the Articles and code provision A4.2 set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules, Ms. Jean Chia Yuan Jiun, Mr. James Patrick Cunningham and Mr. Frank Lee Kee Wai will retire from office as Directors by rotation at the AGM and being eligible, offer themselves for re-election.

Particulars of Directors proposed to be re-elected in the AGM are set out in Appendix II to this circular.

### ADOPTION OF NEW SHARE OPTION SCHEME

#### The 2012 Share Option Scheme

The 2012 Share Option Scheme was valid and effective for a period of ten (10) years commencing on March 22, 2012 and ending on March 22, 2022. In order to ensure continuity of a share option scheme for the Company for staff incentives and rewarding participants that are valuable to the Group, the Board proposes to adopt the New Share Option Scheme at the Annual General Meeting.

Upon expiration of the 2012 Share Option Scheme, no further options will be granted thereunder. The Company has no intention to grant further options under the 2012 Share Option Scheme from the Latest Practicable Date to the expiry date of the 2012 Share Option Scheme. However, the rules of the 2012 Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its expiration or otherwise as may be required in accordance with the rules of the 2012 Share Option Scheme. Options granted under the 2012 Share Option Scheme prior to such expiration will continue to be valid and exercisable in accordance with the rules of the 2012 Share Option Scheme.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company had a total of 10,826,000 share options remained outstanding under the 2012 Share Option Scheme (the “Existing Options”). In respect of the details of the Existing Options granted, please refer to the table set out below:

Name or category of the participant	Outstanding at October 31, 2021	Number of share options granted from October 31, 2021 and up to the Latest Practicable Date	Number of share options exercised from October 31, 2021 and up to the Latest Practicable Date	Number of share options lapsed from October 31, 2021 and up to the Latest Practicable Date	Outstanding at Latest Practicable Date
Category 1: Directors					
Mr. Lawrence Chia Song Huat	3,900,000	–	–	–	3,900,000
Ms. Jean Chia Yuan Jiun	1,475,000	–	–	–	1,475,000
Mr. Mok Pui Keung	864,000	–	–	–	864,000
Total Directors	6,239,000	–	–	–	6,239,000
Category 2: Employees					
Total employees	4,587,000	–	–	–	4,587,000
Total all categories	10,826,000	–	–	–	10,826,000

*Note:*

Other than the 2012 Share Option Scheme, the Company did not maintain any other share option scheme as at the Latest Practicable Date.

### The New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentives or rewards to Qualified Participants to contribute to the Group and/or to enable the Group to recruit and/or retain high-caliber employees and attract human resources that are valuable to the Group and any Invested Entity or are expected to contribute to the business development of the Group.

At the Annual General Meeting, a resolution will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the New Share Option Scheme. So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting for the said resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,238,208,104 Shares. Assuming that the issued share capital of the Company will remain unchanged from the Latest Practicable Date up to the date of AGM, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Company, if any, in aggregate will be 123,820,810 Shares, representing 10% of the Shares in issue as at the Adoption Date.

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## LETTER FROM THE BOARD

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The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date, given that the variables which are crucial for the calculation of the value of such Options cannot be determined. The variables which are crucial for the determination of the value of such Options include the Subscription Price for the Shares to be issued upon the exercise of the Options, the timing of the grant of such Options and whether or not such Options, if granted, will be exercised by the Grantees. Thus, the Directors are of the view that the value of the Options that can be granted pursuant to the New Share Option Scheme depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to the Shareholders in the circumstances.

Although the New Share Option Scheme is not subject to any performance target and does not prescribe any minimum period for which an Option must be held before it can be exercised, the Board believes that:

- (i) the requirement for a minimum Subscription Price;
- (ii) the selection criteria prescribed by the rules of the New Share Option Scheme; and
- (iii) the necessary conditions that may be imposed by the Board as it thinks fit when offering to grant an Option to any Qualified Participant (including specifying specific performance targets),

will serve to protect the value of the Shares as well as to achieve the purpose of the New Share Option Scheme.

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

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

- (i) the passing of a resolution by the Shareholders at the Annual General Meeting approving the adoption of the New Share Option Scheme;
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

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

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## LETTER FROM THE BOARD

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A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company from March 11, 2022 and up to and including the date of the Annual General Meeting, and will also be available for inspection at the Annual General Meeting. The terms of the New Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The Company will comply with the relevant Listing Rules from time to time in force in respect of the New Share Option Scheme and any other share option scheme(s) of the Company or any of the subsidiaries.

### ANNUAL GENERAL MEETING

The Company will convene the AGM at 9:30 a.m. on Friday, March 25, 2022 at 19/F, Pico Tower, 64-66 Gloucester Road, Wanchai, Hong Kong at which resolutions will be proposed for the purpose of considering and if thought fit, approving, *inter alia*, the resolutions proposed in this circular. The AGM Notice is set out on pages 28 to 31 to this circular.

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong and in any event by not later than 48 hours before the time appointed for the holding of the AGM (or any adjourned meeting thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

### RECOMMENDATION

The Directors believe that the Buy-back Mandate, the New Issue Mandate and the extension of the New Issue Mandate, the re-election of retiring Directors and the adoption of the New Share Option Scheme are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend that all Shareholders of the Company should vote in favour of all the resolutions set out in the AGM Notice.

### 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.

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## LETTER FROM THE BOARD

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### GENERAL

Your attention is drawn to the additional information set out in the Appendices to this circular.

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 resolution to be proposed at the AGM.

As at the date hereof, the Board comprises Mr. Lawrence Chia Song Huat, Ms. Jean Chia Yuan Jiun and Mr. Mok Pui Keung as executive Directors; Mr. Gregory Robert Scott Crichton, Mr. James Patrick Cunningham, Mr. Frank Lee Kee Wai and Mr. Charlie Yucheng Shi as independent non-executive Directors.

Yours faithfully,  
By order of the Board  
**Lawrence Chia Song Huat**  
*Chairman*

**1. Source of funds**

The Company is empowered by the Memorandum and Articles to purchase its Shares. In accordance with the Cayman Islands law and the Memorandum and Articles, Shares may only be purchased out of the funds of the Company which are legally available for such purpose or out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or, subject to a statutory test of solvency, out of capital. The premium, if any, payable on purchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are purchased or, subject to the statutory test of solvency, out of capital. Under Cayman Islands law, the Shares so bought back will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

**2. Share capital**

Assuming that no further Shares are issued or bought back during the period from the Latest Practicable Date to the date of AGM, exercise in full of the Buy-back Mandate, on the basis of 1,238,208,104 existing Shares in issue as at the Latest Practicable Date, could result in up to 123,820,810 Shares being bought back by the Company.

**3. Reasons for buy-back**

The Directors have no present intention to buy back any Shares but consider that the mandate will provide the Company the flexibility to make such buy-backs when appropriate and beneficial to the Company. Such buy-backs, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per Share. As compared with the position disclosed in the audited consolidated financial statements of the Company as at October 31, 2021, the Directors consider that there could be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed buy-backs were to be carried out in full during the proposed purchase period. However, no buy-backs would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

**4. Directors, their associates and connected persons**

None of the Directors or, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposal is approved by Shareholders, to sell their Shares to the Company or its subsidiaries under the Buy-back Mandate. No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company or its subsidiaries nor has he/she/it undertaken not to sell any of his/her/its Shares held by him/her/it to the Company or its subsidiaries in the event that the Company is authorised to make purchase of the Shares.

**5. Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy-backs pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Cayman Islands, and in accordance with the regulations set out in the Memorandum and Articles.

**6. Effect of the Code**

A buy-back of Shares by the Company may result in an increase in the proportionate interests of substantial shareholders of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Shareholders who were interested in 5% or more of the issued share capital of the Company, according to the register of interests required to be kept by the Company under section 336 of the SFO, were as follows:

<b>Name of Shareholders</b>	<b>Current percentage interest in the issued share capital of the Company</b>	<b>Percentage interest in the issued share capital of the Company in the event of the Buy-back Mandate is exercised in full</b>	<b>Number of Shares beneficially held</b>
Pine Asset Management Limited	37.33% (L)	41.47%	462,167,186
FMR LLC	10.00% (L)	11.11%	123,789,010
Brandes Investment Partners, L.P.	7.95% (L)	8.84%	98,494,000
Northern Trust Corporation	7.40% (P)	8.23%	91,674,481
FIL Limited ( <i>Note</i> )	5.01% (L)	5.56%	61,975,000
Pandanus Associates Inc. ( <i>Note</i> )	5.01% (L)	5.56%	61,975,000
Pandanus Partners L.P. ( <i>Note</i> )	5.01% (L)	5.56%	61,975,000

*Note:*

Pandanus Associates Inc. being the general partner and controls 100% of Pandanus Partners L.P., which in turn controls as to 37.01% shareholding interest in FIL Limited. FIL Limited was interested in these 61,975,000 Shares of the Company through a series of subsidiaries.

- (L) Indicates a long position
- (S) Indicates a short position
- (P) Indicates a lending pool

On the basis of the current shareholding of the Company, an exercise of the Buy-back Mandate in full will result in Pine Asset Management Limited becoming obliged to make a mandatory offer under Rule 26 of the Code. The Directors also have no intention to exercise the Buy-back Mandate to such extent that would give rise to an obligation to them to make a mandatory offer under Rule 26 of the Code or result in the amount of Shares held by the public being reduced to less than 25%.

## 7. Share prices

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2021</b>		
February	1.300	1.180
March	1.310	1.180
April	1.390	1.220
May	1.490	1.330
June	1.410	1.350
July	1.390	1.290
August	1.300	1.130
September	1.310	1.150
October	1.330	1.190
November	1.370	1.260
December	1.310	1.200
<b>2022</b>		
January	1.370	1.190
February (up to Latest Practicable Date)	1.320	1.270

## 8. Share buy-back made by the Company

During the previous six months preceding this document, the Company had not purchased any Shares whether on the Stock Exchange or otherwise.



Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.

**Ms. Jean Chia Yuan Jiun**, aged 48, has worked in the event industry for more than 20 years. Currently Group President with overall responsibility for developing global corporate strategies, she also oversees Group businesses and operations in Southeast Asia. She is also the chief executive officer and an executive director on the board of Pico (Thailand) Public Company Limited, which is listed on the Stock Exchange of Thailand. She is a graduate of The London School of Economics and Political Science at the University of London, having majored in Economics. Ms. Chia worked in the corporate finance industry in London, Hong Kong and Singapore before joining the Group.

Ms. Chia is also a director of the following subsidiaries of the Company, including AM-Media Sdn Bhd, Futr World Limited, MP Medicon Investments Pte Ltd, Pico International (M) Sdn Bhd, Pico Management (M) Sdn Bhd, Pico Pro Pte Ltd and X'Po Builders Sdn Bhd. As at the Latest Practicable Date, Ms. Chia personally holds interests in 1,475,000 underlying Shares in respect of the shares options granted by the Company which is required to be disclosed pursuant to Part XV of the SFO. Save as disclosed above, Ms. Chia does not hold any other position with the Company or any of its subsidiaries and did not hold any directorship in the last three years in any other public company, the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. Chia is a niece of Mr. Lawrence Chia Song Huat, a director of the Group. She is also the daughter of Mr. Chia Siong Lim and the elder sister of Mr. Jack Chia Chay Shiun, both members of the Group's senior management. Save as disclosed above, Ms. Chia does not have any relationship with any other directors, senior management, substantial or controlling shareholders of the Company.

The Company has entered into a letter of appointment with Ms. Chia for a term of two years commencing from February 1, 2022 and either she or the Company may terminate such appointment at any time by giving at least three months' notice in writing to the other. Save as disclosed above, there is no other service contract entered into between Ms. Chia and the Company. She is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Ms. Chia is entitled to a Director fee of HK\$207,000 and other projected emoluments of approximately HK\$6 million. The remuneration of all Directors is determined by the Board having regard to the recommendation of the remuneration committee of the Company and with reference to the Director's contributions, experience and relevant duties and responsibilities within the Company.

Save as disclosed above, there are no other matters related to the appointment that need to be brought to the attention of the Shareholders of the Company in connection with Ms. Chia's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

**Mr. James Patrick Cunningham**, aged 67, has been an independent non-executive director of the Company since 2004. He holds a Bachelor of Science degree in Business Administration from Adelphi University in Garden City, New York. He also attended some advance management courses at the INSEAD in France. Mr. Cunningham has spent over 40 years in the fashion retail and apparel industry. From 1990 until 2004, he was senior vice president and corporate officer of the Gap Inc. Since 2004, Mr. Cunningham has been a private investor and independent retail and supply consultant and advisor for various public and private corporations in Asia, Europe and the United States. Most notably, he was a special advisor to the Shinsegae Group in South Korea from 2005 until 2020. Over the past 25 years he has been a director of Summerbridge Hong Kong, a privately funded NGO specialising in delivering transformational educational programmes to economically challenged young students in Hong Kong. He has been an active member of the Young Presidents' Organisation for more than 25 years and is now a YPO Gold International Lifetime Member.

Save as disclosed above, Mr. Cunningham does not hold any position in the Company or any of its subsidiaries. He is not connected with any directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, Mr. Cunningham did not hold any directorships in the last three years in any other public company, the securities of which are listed on any securities market in Hong Kong or overseas.

The Company has entered into a letter of appointment with Mr. Cunningham for a term of two years commencing from May 8, 2020 and either he or the Company may terminate such appointment at any time by giving at least three months' notice in writing to the other. Save as disclosed above, there is no other service contract entered into between Mr. Cunningham and the Company. He is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Mr. Cunningham is entitled to a Director fee of HK\$213,000. The remuneration of all Directors is determined by the Board having regard to the recommendation of the remuneration committee of the Company and with reference to the Director's contributions, experience and relevant duties and responsibilities within the Company.

The Board considered Mr. Cunningham as an independent non-executive director. During his years of service with the Company, Mr. Cunningham has contributed by providing an independent viewpoint, enquiry and advice to the Company in relation to its businesses, operations, future development and strategy. The Board considers that Mr. Cunningham has the character, integrity, ability and experience to continue to fulfill his role as required effectively. There is no evidence that his over nine years of service with the Company would have any impact on his independence which, on the contrary, is an asset to the Company. The Board thus recommends Mr. Cunningham for re-election as an independent non-executive director at the AGM.

Save as disclosed above, there are no other matters related to the appointment that need to be brought to the attention of the Shareholders of the Company in connection with Mr. Cunningham's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Frank Lee Kee Wai**, aged 62, has been a non-executive director of the Company since 1992 and is the senior partner at Messrs. Vincent T.K. Cheung, Yap & Co., Solicitors and Notaries. He holds a Bachelor of Law degree from The London School of Economics and Political Science and obtained a Master of Laws degree from the University of Cambridge. Mr. Lee is a qualified solicitor in Hong Kong, England, Singapore and the Australian Capital Territory. He is also a China-appointed Attesting Officer and a member of the Chartered Institute of Arbitrators.

Save as disclosed above, Mr. Lee does not hold any position in the Company or any of its subsidiaries. He is not connected with any directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Lee is currently an independent non-executive director of Vision Values Holdings Limited and Mongolia Energy Corporation Limited, both listed companies on the Stock Exchange. Save as disclosed above, Mr. Lee did not hold any other directorships in the last three years in any other public company, the securities of which are listed on any securities market in Hong Kong or overseas.

The Company has entered into a letter of appointment with Mr. Lee for a term of two years commencing from May 15, 2022 and either he or the Company may terminate such appointment at any time by giving at least three months' notice in writing to the other. Save as disclosed above, there is no other service contract entered into between Mr. Lee and the Company. He is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Mr. Lee is entitled to a Director fee of HK\$213,000. The remuneration of all Directors is determined by the Board having regard to the recommendation of the remuneration committee of the Company and with reference to the Director's contributions, experience and relevant duties and responsibilities within the Company.

The Board considered Mr. Lee as an independent non-executive director. During his years of service with the Company, Mr. Lee has contributed by providing an independent viewpoint, enquiry and advice to the Company in relation to its businesses, operations, future development and strategy. The Board considers that Mr. Lee has the character, integrity, ability and experience to continue to fulfill his role as required effectively. There is no evidence that his over nine years of service with the Company would have any impact on his independence which, on the contrary, is an asset to the Company. The Board thus recommends Mr. Lee for re-election as an independent non-executive director at the AGM.

Save as disclosed above, there are no other matters related to the appointment that need to be brought to the attention of the Shareholders of the Company in connection with Mr. Lee's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

The following is a summary of the principal terms of the New Share Option Scheme to be conditionally approved and adopted by a resolution of the Shareholders at the AGM. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it would not be taken as affecting the interpretation of the rules of the New Share Option Scheme required to be included in the New Share Option Scheme pursuant to the Listing Rules.

### **1. Purpose of the New Share Option Scheme**

The purpose of the New Share Option Scheme is to provide incentives or rewards to Qualified Participants thereunder 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 and any Invested Entity.

### **2. Who may join**

The Board may offer to grant an Option to any person belonging to any of the following classes of participants to subscribe for such number of Shares at the Option price as the Board may determine, subject always to any limits and restrictions specified in the rules of the New Share Option Scheme:

- (a) any employee (whether full time or part time employee, including any executive Directors) of the Company, any of its subsidiaries or any Invested Entity; and
- (b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity.

For the purposes of the New Share Option Scheme, the Options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of Qualified Participants or any discretionary object of a Qualified Participant which is a discretionary trust.

**3. Maximum number of Shares available for subscription**

- (a) The maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the total number of Shares in issue from time to time.
- (b) The total number of Shares which may be issued upon exercise of all Options (excluding for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other schemes of the Group) to be granted under the New Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**General Scheme Limit**”).
- (c) Subject to sub-paragraph (3)(a) above and without prejudice to sub-paragraph (3)(d) below, the Company may issue a circular to its Shareholders and seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Group as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of approval of the limit provided that Options previously granted under the New Share Option Scheme and any other schemes of the Group (including Option outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option schemes of the Group) will not be counted for the purpose of calculating the limit as “refreshed”. The circular sent by the Company to its Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (d) Subject to sub-paragraph (3)(a) above and without prejudice to sub-paragraph (3)(c) above, the Company may issue a circular to the Shareholders and seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit, or, if applicable, the limit referred to in sub-paragraph (3)(c) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (e) If the Company conducts a share consolidation or subdivision after the General Scheme Limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all Options to be granted under all of the schemes of the Company under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

#### 4. Maximum entitlement of each Qualified Participant

Unless approved by the Shareholders in general meeting in the manner prescribed in the Listing Rules, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each Qualified Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue for the time being (the “**Individual Limit**”). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in general meeting of the Company with such Qualified Participant and his/her/its close associates (or his/her/its associate if the Qualified Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Grantee, the number and terms and conditions of the Option(s) to be granted and Option(s) previously granted to such Grantee and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the exercise price) of Options to be granted to such Qualified Participant must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

#### 5. Grant of Options to connected persons

- (a) Any grant of options under the New Share Option Scheme or any other schemes of the Group to a Director, chief executive (other than a proposed director or proposed chief executive of the Company), substantial Shareholder or any of their respective associates must comply with Rule 17.04(1) of the Listing Rules and be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of such Options).
- (b) Where any grant of Options to a substantial Shareholder or an independent non-executive Director, 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) to such person in the 12-month period up to and including the date of such grant:
  - (i) representing in aggregate over 0.1% of the Shares in issue; and

- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing all the information required under Rule 17.04(3) of the Listing Rules. The proposed Grantee(s) of the Option(s), their associates and all core connected persons of the Company must abstain from voting at such general meeting, unless they intended to vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. Any change in the terms of the Options granted to a substantial Shareholder or an independent non-executive Director, or any of their respective associates must be approved by the Shareholders in general meeting.

#### **6. Time of acceptance and exercise of Option**

An Option may be accepted by a Qualified Participant within 28 days from the date of the offer of grant of the Option. An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the Option Period, save that such period shall end in any event not later than five years from the date of grant of the Option and subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of Options to a Grantee, there is no minimum period required under the New Share Option Scheme for the holding of an option before it can be exercised.

#### **7. Performance targets**

Unless the Board otherwise determined and stated in the offer of the grant of Options to a Qualified Participant, a Grantee is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

#### **8. Subscription Price for Shares**

The Subscription Price for Shares under the New Share Option Scheme will be a price to be determined by the Board, but may not be less than the highest of (i) the closing price of the Shares as stated on the Stock Exchange's daily quotation sheet on the date of grant of the particular Option; (ii) the average closing price of the Shares on the Stock Exchange for the five business days immediately preceding the date of the grant of the particular Option; or (iii) the nominal value of a Share.

**9. Ranking of Shares**

Shares 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 pari passu in all respects with the fully paid Shares in issue on the date when the name of the Grantee is registered on the register of members of the Company (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, provided always that when the date of the exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first business day in Hong Kong on which the register of members of the Company is re-opened. A Share allotted and issued upon the exercise of an Option shall not carry any voting rights until the completion of the registration of the Grantee as the holder thereof.

**10. Period of the New Share Option Scheme**

The New Share Option Scheme will remain in force for a period of ten years commencing on the date on which the New Share Option Scheme is adopted.

**11. Restrictions on the time of grant of Options**

- (a) No offer of Options shall be made after any inside information (as defined in the SFO) has come to the knowledge of the Company, until an announcement of such inside information has been published in accordance with the Listing Rules and the SFO. 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 approval of the results of the Company for any year, half-year or quarterly (if applicable) or any other interim period (whether or not required under the Listing Rules) and (ii) the deadline for publishing an announcement of its results for any year, half-year or quarterly (if applicable) or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no Options may be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.
- (b) The Board may not grant any Option to a Qualified Participant who is a Director during the periods or times in which such Director is prohibited from dealing in the Shares prescribed by the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.



**12. Rights on dismissal, bankruptcy or insolvency**

If a Grantee ceases to be an Eligible Employee by reason of the termination of his/her employment on the grounds that he/she has been guilty of 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 involving his/her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant subsidiary of the Company or the relevant Invested Entity before exercising his/her Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable.

**13. Rights on death**

If a Grantee ceases to be an Eligible Employee by reason of his/her death before exercising the Option in full, his/her legal personal representative(s) may exercise the Option (to the extent which has become exercisable but not already exercised prior to the date of death of the Grantee) in whole or in part within a period of 12 months following the date of death or such longer period as the Board may determine.

**14. Rights on ceasing employment**

If a Grantee is an Eligible Employee and ceases to be an Eligible Employee for any reason other than his/her death or the termination of his/her employment on one or more of the grounds referred to in paragraph 12 above before exercising his/her Option in full, the Grantee may exercise the Option up to his/her entitlement at the date of cessation in whole or in part (to the extent which has become exercisable and not already exercised), which date shall be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of cessation as the Board may determine.

**15. Rights on breach of contract**

If the Directors shall at their absolute discretion determine that the Grantee of any Option (other than an Eligible Employee) or his/her/its associate has committed any breach of any contract entered into between the Grantee or his/her/its associate on the one part and the Group or any Invested Entity on the other part or that the 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/its creditors generally, the Directors shall determine that the outstanding Option granted to the Grantee (whether exercisable or not) shall lapse. In such event, his/her/its Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**16. Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of takeover offer, merger, share buy-back offer, or privatisation proposal by scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) 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, a Grantee shall be entitled to exercise his/her/its Option (to the extent vested but not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his/her/its Option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be.

**17. Rights on winding up**

In the event a notice is given by the Company to the Shareholders to convene a general meeting to consider and approve a resolution for the voluntary winding up of the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee, subject to the provisions of all applicable laws, shall be entitled to exercise his/her/its Option (to the extent which has become exercisable and not already exercised) at any time no later than two business days prior to the proposed date of the general meeting by giving notice in writing to the Company, either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme (accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given) and be allotted the relevant Shares credited as fully paid no later than the business day immediately prior to the date of the proposed general meeting and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his/her/its Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue 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.

**18. Rights on compromise or arrangement between the Company and its creditors**

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the restructuring, 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 its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his/her/its legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the

court be entitled to exercise his/her/its Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his/her/its Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

### **19. Adjustment to the Subscription Price**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, sub-division or consolidation of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) certified in writing by the auditors for the time being of or an independent financial adviser to the Company as fair and reasonable will be made to (1) the number of Shares subject to the Option so far as unexercised; and/or (2) the Subscription Price; and/or (3) the method of exercise of the Option concerned; and/or (4) the maximum number of Shares as referred to in paragraph 4 above, provided that (i) the alteration must first satisfy the requirements of the relevant provision of the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, but not limited to, the “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note immediately after the Rule” attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to the share option scheme); (ii) any alteration shall give the Grantee the same proportion of the issued share capital to which he/she/it was entitled prior to such alteration and that the aggregate Subscription Price payable by the Grantee on the full exercise of any Option shall remain as close as possible (but shall not be greater than) as it was before such event; (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iv) no such alteration will be required in circumstances where there is an issue of Shares or other securities of the Group for cash or as consideration in a transaction. In addition, in respect of any such alteration, other than any alteration made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the alteration satisfy the requirements of the relevant provision of the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, but not limited to, the “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note immediately after the Rule” attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to the share option scheme).

**20. Cancellation of Options**

- (a) Any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant Grantee and the approval of the Directors.
- (b) Where the Company cancels Options and issued new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available un-issued Shares (excluding the Shares the subject of cancelled Options) with the limit approved by the Shareholders as referred to in paragraph 4.

**21. Termination of the New Share Option Scheme**

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

**22. Rights are personal to Grantee**

An Option is personal to a Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

If the Grantee is a company, the Grantee and/or the beneficial owners shall execute an undertaking not to effect or permit any change in ultimate beneficial ownership of such Grantee so long as the Option so granted to such Grantee or any part thereof remains exercisable. In addition, the Options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly owned by the relevant Qualified Participant if the Grantee is a company wholly owned by the Qualified Participant.

**23. Lapse of Option**

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

- (a) the expiry of the Option Period referred to paragraph 6;
- (b) the expiry of any of the periods referred to in paragraphs 13 or 14;
- (c) the date on which the offer (or as the case may be, revised offer) referred to in paragraph 16 closes;
- (d) the date of the commencement of the winding-up of the Company referred to in paragraph 17;
- (e) the date the Grantee ceases to be an Eligible Employee as referred to in paragraph 12;

- (f) the date when the proposed compromise or arrangement referred to in paragraph 18 becomes effective;
- (g) the date on which a breach of the provision restriction on transfer and assignment of an Option referred to in paragraph 22 is committed; or
- (h) the date determined by the Directors that the Grantee has breached a contract, committed an act of bankruptcy or become insolvent as referred to in paragraph 15.

**24. Other terms of the New Share Option Scheme**

- (a) The New Share Option Scheme is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting approval for listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme.
- (b) The New Share Option Scheme may be altered in any respect by resolution of the Board except that:
  - (i) The terms and conditions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Qualified Participants except with the approval of the Shareholders in general meeting, or except where such alterations take effect automatically under the existing terms of the New Share Option Scheme.
  - (ii) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
  - (iii) Any change to the authority of the Board in relation to any alteration to the term of the New Share Option Scheme shall be approved by the Shareholders in general meeting.
  - (iv) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules and 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 in writing of such number of Grantees as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to Options granted under the New Share Option Scheme and provided further that any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature shall first be approved by the Stock Exchange.
- (c) The Company must provide to all Grantees all details relating to changes in the terms of the New Share Option Scheme during the life of the New Share Option Scheme immediately upon such changes taking effect.
- (d) The New Share Option Scheme shall be subject to the administration of the Board (including the independent non-executive directors).

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## NOTICE OF ANNUAL GENERAL MEETING

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### **PICO FAR EAST HOLDINGS LIMITED**

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

**(Stock Code: 752)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of Pico Far East Holdings Limited (the “Company”) will be held at 9:30 a.m. on Friday, March 25, 2022 at 19/F, Pico Tower, 64-66 Gloucester Road, Wanchai, Hong Kong, for the purpose of transacting the following business:

#### **ORDINARY BUSINESS**

1. To receive and consider the audited consolidated financial statements and the directors’ report and the independent auditor’s report for the year ended October 31, 2021.
2. To re-elect Ms. Jean Chia Yuan Jiun as director of the Company.
3. To re-elect Mr. James Patrick Cunningham as director of the Company.
4. To re-elect Mr. Frank Lee Kee Wai as director of the Company.
5. To re-appoint RSM Hong Kong as the auditor and authorise the board of directors (the “Board”) to fix the auditor’s remuneration.
6. To authorise the Board to fix the directors’ remuneration.
7. To declare a final dividend of HK5.0 cents per share for the year ended October 31, 2021.

#### **SPECIAL BUSINESS**

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

8. **“THAT:**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares, to issue warrants to subscribe for shares and to make offers or agreements or grant options which would or might require shares to be issued and allotted, be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the directors of the Company to make offers or agreements or grant options or warrants during the Relevant Period (as defined below) which would or might require shares to be issued and allotted either during or after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue; (ii) the exercise of the subscription rights under warrants issued otherwise than pursuant to this resolution; (iii) the exercise of the subscription rights under the share option scheme of the Company; and (iv) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the shares of the Company; shall not exceed 20% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

9. **“THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to buy back its own shares subject to paragraph (b) below and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of this resolution, and the said approval shall be limited accordingly; and

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(c) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

10. “**THAT** conditional upon resolutions 8 and 9 above being passed (with or without amendments), the general mandate referred to in resolution 8 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of shares bought back by the Company pursuant to the general mandate referred to in resolution 9 above provided that such amount shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of the passing of this resolution.”

11. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the shares of the Company falling to be issued pursuant to the exercise of any options granted under the share option scheme (the “**New Share Option Scheme**”), a copy of which marked “A” is produced to this meeting and for the purpose of identification signed by the chairman of this meeting, the New Share Option Scheme be and is hereby approved and adopted by the Company and that the directors of the Company be and are hereby authorised to grant options and to allot and issue shares of the Company pursuant to the terms and conditions of the New Share Option Scheme, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the New Share Option Scheme.”

By order of the Board  
**Leung Hoi Yan**  
*Company Secretary*

Hong Kong, February 21, 2022



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*Notes:*

1. Precautionary measures for the AGM

Please refer to page 1 of the circular of the Company for a full overview of measures to prevent and control the spread of the COVID-19 at the AGM. These include but are not limited to:

- (1) Compulsory body temperature checks
- (2) Compulsory wearing of surgical face mask
- (3) Number of attendees limited to ensure appropriate social distancing. Attendees will be admitted to the AGM venue on a first come, first served basis
- (4) No provision of refreshments or beverages. No eating or drinking is allowed in the AGM venue
- (5) No distribution of gifts or coupons for subsequent consumption

Any person who does not comply with the precautionary measures, or is subject to any Hong Kong Government mandatory quarantine or testing order, will be denied entry to or be required to leave the AGM venue.

Shareholders or proxies may be asked if (i) he/she has travelled outside of Hong Kong within 14 days immediately before the AGM; (ii) he/she is subject to any Hong Kong Government prescribed quarantine or testing requirement; and (iii) he/she has experienced any flu-like symptoms or been in close contact with any person under quarantine or with recent travel history. Any person who responds positively to any of these questions will be denied entry to the AGM venue and will not be allowed to attend the AGM.

In light of the continuing risks posed by COVID-19 and as part of the Company's measures to ensure the health and safety of shareholders of the Company ("Shareholders"), the Company strongly recommends Shareholders exercise their right to vote at the AGM by appointing the chairman of the AGM as their proxy, and to return their proxy forms by the time specified in note 3 below, instead of attending the AGM in person.

2. A member of the Company who is a holder of two or more shares of the Company, and who is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the AGM and vote in person. In such event, his form of proxy will be deemed to have been revoked.
3. A form of proxy for the AGM is enclosed. 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 at the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 48 hours before the time for holding the AGM or any adjournment thereof.
4. To ascertain Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, March 22, 2022 to Friday, March 25, 2022, both days inclusive, during which period no share transfers of the Company will be effected. In order to qualify to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Monday, March 21, 2022.

To ascertain Shareholders' entitlement to the proposed final dividend upon passing of resolution 7 set out in this notice, the register of members of the Company will be closed from Thursday, March 31, 2022 to Wednesday, April 6, 2022, both days inclusive, during which period no share transfers of the Company will be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Wednesday, March 30, 2022.

5. With regard to resolutions 8 and 10 set out in this notice, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company pursuant to the general mandate granted under resolution 8 above.
6. As at the date of this notice, the executive directors of the Company are Mr. Lawrence Chia Song Huat, Ms. Jean Chia Yuan Jiun and Mr. Mok Pui Keung; the independent non-executive directors are Mr. Gregory Robert Scott Crichton, Mr. James Patrick Cunningham, Mr. Frank Lee Kee Wai and Mr. Charlie Yucheng Shi.