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Pico Far East Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 752)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of Pico Far East Holdings Limited (the "Company") hereby announces that on May 25, 2023, the Company has granted share options (the "Options") to certain directors and employees (the "Grantees"), subject to acceptance of the Grantees, under the share option scheme adopted by the Company on March 25, 2022. The Options shall entitle the Grantees to subscribe for a total of 6,608,000 new shares of HK\$0.05 each (the "Shares") in the capital of the Company. A summary of such grant is set out below:

Date of grant : May 25, 2023

Exercise price of Options granted : HK\$1.300

Number of Options granted : 6,608,000

Closing price of the Shares on the date of grant : HK\$1.300

Vesting period of the Options : May 29, 2023 to November 1, 2024

The vesting period of first, second and third tranche of Options are less than 12 months, the remuneration committee of the Board (the "Remuneration Committee") considers that the grant of Options with a shorter vesting period could align the interests of the Grantees with that of the Company and the shareholders of the Company, reward and provide incentive to the Grantees to work towards success of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of

the share option scheme.

Exercise period of the Options

: The Options granted shall be exercisable during the relevant periods set out below subject to a vesting scale in four tranches of 25%:

- (i) The first 25% of the Options shall be exercisable from May 29, 2023 to May 25, 2028;
- (ii) The second 25% of the Options shall be exercisable from November 1, 2023 to May 25, 2028;
- (iii) The third 25% of the Options shall be exercisable from May 2, 2024 to May 25, 2028;
- (iv) The remaining 25% of the Options shall be exercisable from November 1, 2024 to May 25, 2028.

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 share option scheme can be exercised.

The Remuneration Committee is of the view that, taking into account (i) the ability of Grantees to contribute to the overall operations, development and long-term growth of the Group with reference to their tenure with the Company and industry experience; and (ii) the historical practice of the Company in granting Options without performance targets, and the grant of Options to the Grantees aligns the interests of the Grantees with that of the Company and the shareholders of the Company and reinforces the Grantees' commitment to the Group, and thus aligns with the purpose of the Company's share option scheme.

Clawback mechanism

: 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.

Financial assistance : The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the share option scheme.

3,752,000 out of 6,608,000 Options were granted to directors of the Company as follows:

<u>Name of Director</u>	<u>Position</u>	<u>Number of Share Options granted</u>
Lawrence Chia Song Huat	Executive Director	2,252,000
Jean Chia Yuan Jiun	Executive Director	1,126,000
Mok Pui Keung	Executive Director	374,000
Total Directors		<u>3,752,000</u>
Employees		<u>2,856,000</u>
Total all categories		<u><u>6,608,000</u></u>

The grant of the Options to the directors above has been approved by the independent non-executive directors of the Company.

Saved as disclosed above, none of the Grantees is (i) director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with Options granted and to be granted exceeding the 1% individual limit under rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with Options granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares, as at the date of this announcement.

After the grant of the share options as disclosed in this announcement, the balance of number of Shares available for future grant pursuant to the share option scheme is 111,792,810.

By Order of the Board
Leung Hoi Yan
Company Secretary

Hong Kong, May 25, 2023

As at the date of this announcement, 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.